

DARE WE LOOK AHEAD?

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WHAT IS AHEAD OF US?

by

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This book is based on the Fabian Lectures for 1937. Most of the lectures have, however, been substantially revised or even rewritten for book publication.

Bertrand Russell

SCIENCE AND SOCIAL INSTITUTIONS



THE EFFECTS of science on Social Institutions are only beginning. Science has been important in human life for three hundred years, and according to the astronomers life is to continue on this planet for about a billion years. If, therefore, I were to treat my subject in due proportion, I should spend the first millionth of a second on the effects of science hitherto, and the rest of the hour on its future effects. I will, however, make a somewhat less equitable division, and spend as much time on the past and present as on the future.

We may consider the effects of science under four heads: (1) Its effect on beliefs; (2) on war; (3) on production; and (4) directly on the minds and bodies of human beings.

The effect on beliefs, apart from certain effects on war, was the earliest of these. Science began to have recognized social importance at about the time of

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Charles II. The Merry Monarch founded the Royal Society as a cure for what was in those days called "enthusiasm," that is to say, fanatical religious belief. The world had had a considerable experience of creed wars, and Charles II, unlike his brother, was not prepared to suffer for any creed. He hoped that the scientific habit of mind would have the effect of making people less cocksure and less willing to endure martyrdom for their convictions. In this, on the whole, he was justified. All the different sects became milder at this time. Those Jesuits who were ardent disciples of Descartes were much less interested in persecution than the Jesuits of an earlier generation. Anglicans became bland and lost the fierceness of Laud. Nonconformists, having failed in their bid for supremacy, rapidly diminished in fanaticism. The kind of way in which Swift satirized the wars of religion would have been totally impossible before the accession of Charles II. In this change of the general temper science was, of course, only one factor, but it was an important one, as anybody may see in reading Pepys. In France science had, at first, the same kind of effect upon men's tempers as in England, but after the suppression of the Jansenists Cartesianism fell out of favour in ecclesiastical circles, which, moreover, for a long time looked askance at Newton as a Protestant innovator. The consequence was that science became anti-

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clerical, and ultimately revolutionary. Napoleon cured it of this by giving it pensions, and from his time onwards science has been everywhere a recognized element in the social system. I must, however, make one exception; the third Reich, like revolutionary France, has decided that it has no need of *savants*. A few tame professors survive to perform the correct mumbo-jumbo, but, in the main, the scientific intellect of Germany is in exile.

The effect of science on belief is not now what it was at first. Originally, it was discoveries rather than inventions that were felt impressive, and the discoveries, since they disproved what had previously been supposed known, diminished rather than increased the amount of knowledge men believed themselves to possess. Now, on the contrary, it is inventions that cause the popular respect for science, which has come to be felt as a reliable kind of magic, by which our feeling of power is immeasurably increased. Originally, science fitted into the traditional contemplative conception of knowledge; now, conversely, it has caused knowledge to be conceived as essentially an instrument in practice.

The effect of science on war has been hitherto, perhaps, its most important effect. Persons who dislike war are apt to underestimate the importance of military technique in history, although at all times it has been a vital factor in great events. Men

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of science, from the beginning, have always recommended themselves to rulers by their power of being useful in war. Everybody remembers what Plutarch has to say about Archimedes at the siege of Syracuse. Leonardo, in applying for a job under the Duke of Milan, wrote at great length about his skill in the art of fortification, and added in a postscript that he could also paint a bit. Galileo occupied himself considerably with artillery, and it was probably cannon balls that caused him to work out the trajectory of a falling body. In the French Revolution all the scientists whose heads remained upon their shoulders occupied themselves feverishly with the problem of the manufacture of explosives. During the Crimean War, Faraday was appealed to by the War Office on the subject of poison gas. And in the present day, as everyone knows, even the most pacifistic physicist or chemist can hardly avoid contributing something to the art of war.

At every stage, changes in the art of war have had important political repercussions. The invention of gun-powder destroyed chivalry and the impregnability of castles. In the seventeenth and eighteenth centuries the profession of the private soldier required more skill than it does at present; this was, therefore, the period of small professional armies, which could be recruited by monarchs without the need of any popular appeal. As the skill required in the private

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soldier became less, it became possible and therefore important to have large armies. For this purpose popular enthusiasm was a help, and the victories of the French Revolution are largely attributable to this cause. Modern war requires not only huge armies, but enormous numbers of munition workers. It cannot, therefore, be successful unless the nation is at one with the Government. This is the chief reason which has caused so many Governments to become more or less democratic. There are signs, however, of a new development, in which victory will depend upon scientific skill rather than upon numbers. Victory will go to the Government which can most successfully spread its poison gas and bacteria among the enemy. This is a problem rather of technical ingenuity than of man-power, and suggests for the future an oligarchy employing scientific experts. This change will facilitate the holding of power by minority dictatorships, whether Fascist or Communist.

Looking a little further ahead, it is to be expected that new-style tyrants will come to depend, like those of Greece and Rome and Bagdad, upon bands of mercenaries, but the mercenaries will be men of science. Sooner or later, as in those historical precedents, the mercenaries will see no reason to serve tyrants, and will seize power themselves. Whether the resulting scientific oligarchy will

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be pleasant or unpleasant, I do not venture to predict.

One of the difficulties of warfare in modern times has been that the generals and admirals, through being conservative in politics, have acquired a conservative outlook upon other matters also, and more particularly upon the technique of war. The Duke of Wellington objected to rifles as an innovation. The British Admiralty continued to construct men-of-war of wood, and to view steam with disfavour, for about half a century longer than they should have done. It was the American Civil War, conducted in the main by people who were not professionals, which led the way to the modern type of battleship. If I were conducting a war, I should insist that all the generals must be business men and all the admirals civil engineers; I should confine professional soldiers and sailors entirely to the lower ranks.

It is likely that during the next fifty years the importance of air warfare will exercise a decisive effect on politics. Owing to the fact that the aeroplane moves in three dimensions instead of two, attack is easy and defence hardly possible; moreover, the importance of the sea is enormously diminished, since it is probable that sea communications could not be kept open in time of war. For these reasons, war, if it occurs, will be more destructive than it used to be. It may therefore be assumed that in the

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next war all the belligerents will destroy each other, with the result that the whole world will fall under the domination of the largest neutral, provided any important country has the sense to remain a spectator. In this way a world government may be brought about, and civilization may survive.

Modern war depends so much upon science, and science changes so quickly, that victory is likely to be more dependent upon scientific skill than upon any other single factor. It is scarcely possible that science, even on the purely technical side, can long flourish in the atmosphere of Nazi Germany. At present Germany still has the benefit of the scientific skill built up in past times, but it is to be expected that within twenty years, at latest, the lowering of the intellectual level since the accession of Hitler will cause a loss of military efficiency as compared with countries where intelligence remains more or less free. The very widespread belief that a totalitarian state is more efficient in war than one with a more liberal régime is, I believe, as complete a delusion as the analogous belief in absolute monarchy which existed in the time of Louis XIV.

The effect of science on production is such a hackneyed theme that I propose to say almost nothing about its more familiar aspects. There are, however, two matters in which science has not yet exercised its full effect, as to which I wish to say

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something. First: under the influence of nationalism, every state wishes to be as far as possible economically self-supporting. This is becoming increasingly feasible through the substitution of synthetic for natural products. Artificial silk is familiar; synthetic rubber, synthetic wood, synthetic wool, and so on, will follow in due course. There was a time when tropical countries were needed for the production of sugar; they are still needed for tea and coffee. But probably new drinks could be made out of the produce of the temperate zone, which advertisers could persuade us are just as nice as tea and coffee. International commerce is rapidly losing its importance, and is likely, unless nationalism loses its force, to have even less importance in the future than it has now. This is to be regretted, since, speaking historically, almost all intellectual and moral advance has been connected with commerce, which has a liberalizing effect, both by involving contact with foreign customs and because it is conducted on a basis of mutual advantage rather than of force. The Greeks, the Renaissance Italians, the Dutch, and the English owed their merits to commerce. The Japanese owe their demerits to the two and a half centuries during which all intercourse with foreigners was prohibited.

Secondly, the possibilities of science in relation to food production have, as yet, scarcely begun to be exploited. With existing knowledge, it would be

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possible, if it were desired, to produce all the food required in Great Britain on a small part of the soil of Great Britain. The Sahara, so I am informed by my friend Mr. Bernal, could be made fertile by the simple expedient of preventing the evaporation of dew. I suppose that something of the sort could be done in the interior of Australia. In a slightly more distant future there is the possibility of synthetic food, which would destroy the necessity for agriculture, and thus transform politics and social life.

One effect of science in relation to production has been made familiar by Marx, and that is the growth in the size of economic organizations. But it is not only economic organizations, it is organizations of every kind that increase in size as a result of scientific technique. There is, it is true, one apparent exception. Since the Great War, states have tended rather to diminish than to increase in size, but this is due to nationalism, which cuts across the effects of science. If science could operate unchecked, it would soon produce a single world state.

I come now to what will almost certainly, in the future, be the most important of all the effects of science, namely, its direct operation upon man himself. Hitherto we have accepted man with his desires and capacities as a datum, and have used science to further the satisfaction of his desires, but we are beginning to understand how to treat man himself

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as a product which can be indefinitely modified by science. A man's character is formed by a great variety of causes: his congenital characteristics, his diet, his education, his social circumstances, and the social traditions in which he lives. It is clear that by diet and bio-chemical treatment a man's character can be completely transformed. If Carlyle's dyspepsia had been cured, how different his opinions would have been! If Luther had not suffered from constipation, he would have been less obsessed by the works of Satan. What can be done mentally to alter man is not less important than what can be done physiologically. We are beginning to understand the art of manufacturing opinions wholesale as we manufacture pins. The technique is not yet quite perfect, but it may be confidently hoped that within another hundred years almost every citizen of a state will have, on almost every subject, the opinions which the Government of that state wishes him to have. Education, the press, the cinema, and the radio are already being used to this end, but as yet they cannot be used so effectively as they soon will be. There is still a liberal tradition which has not died out, even in the most authoritarian states. There are older men who remember days of comparative liberty, and who may instil doubts into their children. The hypnotic technique is not yet perfect, and does not yet begin at a sufficiently early age.

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The ritual is not yet so impressive as that of the Catholic Church. And Christianity is still able to offer some opposition to the new paganism. Moreover, economic circumstances as yet make it difficult to give people that degree of happiness which is necessary to ensure that they shall not become rebels. All these, however, are temporary difficulties. If the authoritarian state survives long enough, and if it has the good sense to listen to the advice of educators and advertisers, we may confidently expect that it will achieve a degree of uniformity of opinion among its subjects to which there has been nothing analogous in past history.

The congenital part of man is as capable of scientific manipulation as the part which is due to education. As yet the laws of heredity are not sufficiently ascertained to make eugenics completely reliable, but no doubt the necessary knowledge will be acquired before long.

In connection with eugenics, it is natural to consider a question which raises a doubt as to the stability of a scientific society. Throughout the last sixty years, education and industrialism have led to a fall in the birth-rate wherever they have reached a certain level, and it is now clear that, even if there are no wars, the most civilized nations will rapidly dwindle in the next half-century, unless some revolutionary measure is taken to counteract this tendency. There is nothing

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mysterious about this. Some people like children, but there are other ways of spending men's money and women's time which most men and women prefer to school bills and pregnancy. Even the minority who would like a large family are apt to find the expense prohibitive. The more education is prolonged, and the more the life of the childless is made agreeable, the stronger become the reasons of self-interest against having children. Yet with the progress of science and technique the prolongation of education becomes increasingly important.

Such mild measures as the French Government, for instance, has been willing to adopt with a view to arresting the fall of the birth-rate, have proved totally ineffective. The German Government hopes to achieve the result by means of ignorance and poverty. But this method will not replenish the numbers of the governing class, which must sooner or later be submerged by a rising flood of semi-barbarous slaves. To preserve a scientific society, the supply of men who combine education with ability must be kept up. It is not at all clear that civilized communities will think this worth the necessary sacrifices, not only of money, but of ethical convictions. If they do not, our present level of scientific culture is biologically unstable, and must be expected to give place to a less sophisticated society.

We may, I think, if scientific societies survive,

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expect a change in ethical outlook, which has already begun, but is likely to proceed much further. Christianity allowed certain rights to the individual, and most of us still feel that there are some things which ought not to be done to a man for the sake of some public advantage. It might be said, for example, that the purpose of hanging murderers is to discourage murder, and that this effect is produced so long as it is *believed* that murderers are hanged. It does not matter, therefore—so it might be argued—whether we hang the right man or somebody else, so long as the public can be made to believe that we have hanged the right man. Such a point of view we feel to be shocking, but with the decay of the ethic we inherit from Christianity it may cease to be thought shocking by rulers. They will have a tendency to arrogate to themselves the characteristics of the Calvinist God, who was not guided by justice in His selection of the elect from among the reprobate. They may even find a justification of the *agent provocateur* in the theology of the supralapsarians, who held that God placed man in circumstances which made it certain that he would sin, in order that his Creator might have the opportunity of exercising the virtue of justice by punishing him. The psychology which the Calvinists attribute to God is that of absolute power devoid of benevolence, and unfortunately this is the very psychology which

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the opportunity of scientific manipulation tends to produce in the rulers of authoritarian states. And with this psychology goes a ruthless ethic.

The social effects of science applied to human beings may be expected to depend upon the form of government. As we have seen, this kind of science gives immense powers to rulers, and there is no reason to suppose that, where democracy does not exist, rulers will use their powers benevolently. On the contrary we must expect that, as in the past, they will use their powers to make their own rule secure and to make its benefits to themselves as great as possible. This will apply to all States where there is not democracy, and it may be expected to be just as true in Russia as in Germany. On the other hand, where there is democracy the scientific power in relation to human beings is likely to be used for the general welfare, that is to say, to promote health and intelligence and the kind of education that leads to happiness without subservience. The more the manipulative powers of science are increased, the more important it becomes that government should be democratic, for the authoritarian state, if it continues, will almost inevitably develop a distinction of an upper and a lower caste, the upper caste having all the power, all the initiative, all the intelligence, and all the rewards above bare subsistence, while the lower caste, like domestic animals,

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✓ has a life of unrelieved toil, which it endures because of an artificially produced acquiescence. Such a society is politically possible, and could be stable. I think the chief reason for expecting it not to prevail is that it would probably be inferior to a free society in military efficiency, but this is a doubtful matter, and the danger is very real.

✓ Men who think about a scientific society are apt to assume in its rulers the kind of benevolence which is found in many individual men of science. This, however, is a mistake. History shows that, in the main, governments are only benevolent when self-preservation compels them to be so, and not always even then. In any case, benevolence is a dangerous ✓ frame of mind, since it implies superiority to its object. The benevolent ruler will give to his subjects what he thinks they ought to want, not what, in fact, they do want. And it will be an axiom with him that respect for himself is an essential condition of their happiness. The power of manipulation which science gives thus involves psychological dangers which can only be guarded against by making a government sensitively responsive to public opinion. Science, since it makes life more organized and society more organic, necessarily increases the extent to which government interferes in the life of individuals. It therefore makes government a matter of greater importance than it has ever hitherto been,

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and also makes the avoidance of tyranny more difficult. It tends to encourage the manipulative outlook, which is a dangerous one. Science tends to transfer God-like attributes from heavenly to earthly rulers, and an increasing number of powers formerly attributed to God are placed by science in the hands of human beings. The result is an intoxication of power, which is very dangerous to sanity and stability. The man who finds himself transformed into a god has something of the mentality of a beggar on horseback; humility disappears, and, with it, wisdom.

Professor Joad has recently said (*New Statesman*, Oct. 2, 1937): "Dominated by science, men have come to believe that the understanding of causes will in itself enable them to alter results. The belief, so far at least as human beings are concerned, is a delusion. To understand why one is jealous, ill-tempered, or sadistic does not prevent one from being jealous, ill-tempered, or sadistic. It is not by knowing more that men and women will be saved, but by becoming virtuous. Unfortunately, the recipe for the production of virtue is not known."

This is only a part of the truth. If you have defined virtue, the scientist, not perhaps at the present day, but before long, will be able to give you the recipe for producing it in other people. He will also give you the recipe for producing vice. What the

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scientist cannot do is to define virtue and vice. Everything that has to do with values is outside the province of science. Given the power conferred by science, without a just estimate of values, the power will be used to produce bad effects. But what is a "just" estimate of values, and what are "bad" effects? Can I say anything more than that a "just" estimate is my estimate, and that "bad" effects are those which I dislike? To such questions, science as such can offer no answer. We may take a democratic view, according to which, in estimating values, all men count equally; or we may take an aristocratic view, according to which only a favoured minority are to count. I do not know of any way of proving that the democratic way is the right one. But as a matter of politics, it is clear that the aristocratic view must involve indefinite strife, since no one is going to concede willingly that he belongs to the negligible portion of mankind. It follows that, if the aristocratic view were general, it would involve the disappearance of the great majority of its adherents, and unless you are sure that you will not yourself belong to this majority, you will be unwise in adopting it. But such arguments are outside the realm of science.

The conclusion of this matter is comparatively simple. Science immensely increases the power possessed by governments of realizing their desires. If power is in the hands of a minority, science enables

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this minority to realize its desires. If it is in the hands of the majority, it gives the same facility to the majority. It cannot be assumed that power in the hands of a minority will be used to further the interests of the community as a whole, for all experience shows that oligarchies, unless under the influence of fear, tend to ignore the interests of their subjects. Therefore the more science enables governments to realize their desires, the more vital it becomes that government should be democratic.

There is one other matter, in connection with science and social institutions, on which something should be said, and that is the rate of change. Science hitherto, ever since it began to influence daily life, has produced a continually increased rapidity of change, and it is sometimes assumed that this is likely to continue indefinitely. I do not myself think so. There have been in history a few periods of rapid progress, interspersed with long periods of stagnation or retrogression. There was the pre-historic period when agriculture was invented, the early period of Egypt and Babylonia, the great age of ancient Greece, and the time from the Renaissance to the present day. At these various times certain portions of the human race made rapid progress, but progress is exceptional and stagnation has been the rule. I think it very doubtful whether science will ever permanently change this. It seems more likely

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that, after a revolutionary ferment, from which we are now suffering, some new stability will be achieved, and new science will almost cease to be produced. One may expect, as the result of increasingly destructive wars, the establishment of a world government, which, in view of the horrors of the epoch immediately preceding its establishment, is likely to care more for stability than for anything else at all. One may assume that it will be able, from a military point of view, to ensure governmental stability for itself, and that it will set to work to inculcate a conservative outlook in the population of the world.

In the absence of the dangers of war, and assuming that economic competition has been done away with, there will not be the same practical stimulus to new inventions that there is at present, and the world may settle down as the Roman Empire did in the time of the Antonines. No doubt such immobility will not last for ever, but it is easy to imagine its lasting for a very considerable time. Or, alternatively, if no world government results, wars may so lower the level of civilization that men will no longer be able to master the scientific technique of our time, and that, as in the Dark Ages, they will look back upon the past with ignorant awe. But I cannot believe that, throughout the billion years which Sir James Jeans allows us, we shall continue

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the rate of scientific change which has been characteristic of the past hundred years. Sooner or later mankind will need a period of rest and recuperation, but I doubt whether any of us will live into that period.

In any attempt to forecast the future of scientific societies, we are met, as I have tried to show, by two reasons for doubting their stability. The first is war, the second the declining birth-rate. It is fairly clear that mankind cannot remain scientific and survive unless large wars are altogether prevented; it is also obvious that wars can only be prevented by the creation of a single world State with a monopoly of armed force. As for the declining birth-rate, that can only be checked by measures which are financially unattractive and which also involve a considerable shock to our ethical convictions. Whether both those sources of instability can be eliminated is very questionable. But if they can be eliminated, there remain two forms of possibly stable scientific society, one democratic and the other oligarchic. Both will demand the control of all important economic matters by the State, but politically they will differ widely. In the democratic form, education will be general, and all will have equal economic opportunities. In the oligarchic form, political and economic power will belong to a governing minority, whose comfort and security will be the main purpose

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of the State, while the subject majority will be kept acquiescent by the combined operation of force, propaganda, and bio-chemistry (i.e. drugs). At the present moment, it is impossible to guess which of these two forms of scientific society will prevail, or even whether science will not prove self-destructive, and be replaced by a new barbarism. In the latter event, science will, no doubt, arise again in due course. Perhaps next time its victims will show more wisdom than our century appears to possess.

Vernon Bartlett

THE WAR HORIZON



MAY I BEGIN by calling your attention both to the truth and to the fallacy of the old tag: "If you wish for Peace prepare for War." That it is in part a fallacy we should already have learnt, for I believe that during the five years, 1908-1913, Great Britain, France, and Germany increased their expenditure on preparations for war by about 70 per cent. And they got, as they know, not peace but the biggest war in history.

To anyone who surveys the political horizon to-day it must appear that we are following the same foolish road. At no time in recent history have people been called upon to make such tremendous sacrifices for armaments in time of peace. And yet I am not personally despairing, for I would suggest that there is also much more truth in that tag than most of us in this hall care to admit. In certain circumstances, if you wish for peace you must prepare for war. It is possible, although improbable, that the British

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Government would have taken a much stronger line in the Sino-Japanese dispute of 1931 had the Labour Government not previously held up the construction of the Singapore base. That, at any rate, was one of the excuses which Sir John Simon was able to give for one of the most lamentable exhibitions of British cowardice that we have seen—unfortunately there have been so many others since that we are apt to forget the many excuses with which the British Government of the day tried to justify its inaction. It is quite certain, however, that the Admiralty at that time was able to frighten an already timid Government merely by the account of what would happen to Hong-Kong and British interests in Shanghai and elsewhere if we lived up to our international obligations.

It is also possible, and not altogether improbable, that the Hoare-Laval betrayal of the League would never have taken place had we been more fully armed. There are people who argue that we could have taken no action towards closing the Suez Canal without the breach of a treaty. You can always find plenty of legal arguments to excuse political inaction. But those people have, I think, never taken the trouble to read the Covenant of the League of Nations which clearly overrides all previous treaties. And there can be little doubt that the British Government (once Italy had been declared

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the aggressor), would have been fully entitled, under the League Covenant, to close the Suez Canal. That could have been done easily. It would have cut off a quarter of a million Italians in a hostile country, so poor in resources that even drinking water had to be taken to the troops through the Canal or from Aden, and it would have brought the war to an end quickly and with far less misery than the system of gentle and non-provocative sanctions which was ultimately adopted, and which was *so* gentle and non-provocative that it failed.

But here again, you will remember, the British Admiralty frightened the British Government by informing it that there were no munitions for the navy's guns. It is a complete mystery to me how that confession could have been made and not have involved the dismissal of those responsible for the arming of the fleet. For surely the first duty of the Admiralty is to see that, however much or little money the Government is spending on armaments, those ships which are ready to go to sea should be fully and adequately armed and munitioned. That, however, is a matter which does not particularly concern us now. What *does* concern us is that the Service Departments once again frightened the Government out of taking action. It must be a matter of opinion whether they would have been so modest and inactive had some British colony [been

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attacked as they were when the League Covenant was torn up. But that, again, does not matter to us here, for the problem facing us is not whether our people are prepared to defend the British Empire, but whether they will ever be prepared to take sufficiently grave risks to defend something which is a little less obviously a national interest, namely, that charter of international law and decency known as the League of Nations Covenant.

You and I may think that moral strength is far more important than material strength, and that this country was stronger in 1935 before the Hoare-Laval plan was drawn up than it has been at any other time in the twentieth century. It then had fifty allies prepared to believe that the British Government was standing up in defence of the new law of nations—their law—and that made us more powerful than we can ever hope to be by the marshalling of all our money and all our resources to build up a formidable army, navy, and air force. But we must take into account the possibility of being ruled for a long time to come by people who understand so little of the League Covenant that they have not begun to realize how useful—how legitimately useful—it can be even for imperial defence. Our Government, it seems to me, is in much the same position as a man who is more ready to stand up for right and justice when he knows

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that he has a revolver in his pocket than when he knows he is entirely unarmed.

I believe, then, that we shall only take risks in defence of the League of Nations Covenant if our Government believes that its army, air force, and navy can wipe any rival off the face of the earth, or off the surface of the seas. To this extent it is true that if you wish for peace you must prepare for war. I do not, of course, defend that policy. Indeed, I deplore it, for so drastic a policy of rearming must inevitably spread dangerous international distrust. But I am only trying to put before you the facts as they are presented by the existence of a cowardly and unconstructive Government.

Shortly after we had begun our tremendous armament programme I made a tour of Central Europe. In every capital I visited I found a greater expectation of peace, a greater optimism, than I had expected to find. And in every case the principal reason for that optimism was that the British Government was rearming. I came back from that trip fully convinced that the rearmament programme is a costly and indirect, but none-the-less important, way of assuring peace. Indeed, I would go further. When I see the way in which people in Germany and many other European countries are regimented and prepared for war I am tempted to favour the idea of conscription.

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May I add this in parenthesis? I have never been able to understand why people on the Left in British politics should be so opposed to conscription. To my mind France is the most truly democratic nation I know, and one of the main reasons for that democracy is the existence of a people's army with officers who, in very many cases, have themselves risen from the ranks. Almost the only good point about National-Socialism is the way in which, through Labour Camps and so on, an attempt is made to abolish class feeling.

People tell me that conscription is the first step on the road to Fascism. But I have seldom heard a less convincing argument. Think, for a moment, what our British army is to-day. Its officers are nearly all men who have been to a public school, that is to say, they are men who have been taught as boys that they belong to a different category from the ordinary human being. They have then gone to a very exclusive military college and they have come out to command an army of private soldiers who, during the whole of their military training, have this belief in the importance of class and accent rubbed into them. During the last war I was given a commission, not on account of military prowess that probably was not there, but because my parents had managed to send me to a small public school where I learnt more or less the tradi-

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tional accent of the ruling classes. And I have not the slightest doubt that the men who had the misfortune to be under my command preferred this misfortune to being commanded by one of their own men promoted to commissioned rank.

Can any one doubt that, if the army were dragged into politics and had at any time to choose between Fascism and Socialism, it would at once plump for Fascism, and would be convinced that it was doing its job by the nation by showing itself as ruthless towards ordinary harmless left-wing people like many of us in this hall, as it would towards any foreign enemy trying to invade our shores. I believe if we cannot have equal educational facilities for all, a system of military conscription would do more than anything else to abolish this popular belief that men who talk in one way are born to rule over men who talk in another.

I think then (to get back to my subject) that the British rearmament programme has become one of the most important factors in the maintenance of peace in the world to-day. This is, of course, a very lamentable admission to make, but none-the-less it has to be made if we wish to weigh up the chances of war or peace during the next few years. Our policy since the Hoare-Laval plan has been so damnably weak and cowardly that the dictators had every excuse for believing that they could do any-

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thing they liked without taking the British Empire into account. Now, at least, it has become a matter of supreme importance to them to know where Great Britain stands on any issue. Their great ambition is to win her over to the National-Socialist idea of things, to flatter her rather than to bully her.

I am not foolish enough to suggest that the possession of arms can give us peace: only that it can postpone war. They make any would-be aggressor think twice before he attacks, although they probably also make him more determined to attack in the long run.

There is a second very important reason why war in the near future is much less probable than many of us think. There are no more injustices in the Versailles Treaty, no more clauses of it which Herr Hitler can tear up in the certain knowledge that by doing so he is dividing public opinion abroad and uniting public opinion at home. Think for one minute how those famous Versailles inequalities have helped him. Not only did they enable him to get into power but they gave him three or four years of fantastic nuisance value. In 1933 he could leave the League because of the cowardly folly which made Sir John Simon and M. Barthou refuse to disarm or to agree that Germany should rearm. In 1935 he reintroduced compulsory military service. In 1936 he re-entered the demilitarized zone of the

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Rhineland. And who was to stop him? The Rhinelanders were not at all pleased to see the German army, their own army, marching westwards across the great Rhine Bridge at Cologne, for they believed that within twenty-four hours the French army would have acted and would be driving them back again. The German general staff, the great German financiers who might be expected to know how foreign countries would react—they were just as uneasy. But this insignificant little man who had never been outside his own country (for he considered Austria as part of Germany), except on a humiliating two-day visit to Signor Mussolini in Venice, knew better than them all. He knew that the very people abroad who most hated Hitlerism because of the injustices it had committed would claim most loudly that no action should be taken against the re-occupation of German territory by the German army. Once again, in short, he had united public opinion inside Germany and divided public opinion outside—and in rejecting a part of the Versailles Treaty which the French had only been persuaded to accept in return for an Anglo-American promise of guarantee which was never fulfilled.

But since that Rhineland reoccupation Hitler has lost ground. Of that I am firmly convinced. The only remaining inequality was the ban on Germany as a possessor of colonies. Heaven knows the campaign

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to win colonies back has kept the Ministry of Propaganda so busy that millions of Germans are now convinced their prosperity depends on the ownership of large parts of Africa. But Hitler could not march men into Tanganyika as he could into the Rhineland, and if he pressed his claim too hard he would lose the support of those British Conservatives who believe that might really is right except when it is directed against them.

There remained, then, no issue in international affairs with which Herr Hitler could keep alive enthusiasm at home without too grave a risk of starting a war abroad. He joined in the indirect war in Spain which might have been a useful feather in his cap had he and Signor Mussolini not misjudged General Franco and his supporters—it would have been impressive had he been able to tell his people at home that they had won invaluable minerals and strategic positions in Spain by fighting in a war without their knowledge. But the international brigade, consisting so largely of Germans whom he had driven into political exile, and the women and children who tore up the paving stones of the streets of Madrid to build barricades a year ago have robbed him of that triumph. The Spanish adventure, instead of being one more in a series of successes in the international field, has been his first grave defeat. It would now be a defeat, I believe,

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even if General Franco were to win, for it has convinced so many Germans that the Führer's aim is not only to unite all people of German race.

On January 30th, 1937, I listened to Herr Hitler speaking in Berlin on the fourth anniversary of his Chancellorship. I was not, I admit, in the Reichstag, for my ticket was taken away from me at the last moment to punish me for an unpalatable article I had written on German intervention in Spain. But I sat in a café on the Unter den Linden, where the speech was to be relayed. I had been warned that I should not be served while the Führer was speaking and I gobbled down a hurried meal just before he began. But to my surprise the waiters did serve customers although they took the orders in whispers and went about on tip-toe. And after the first half-hour somebody took out a newspaper and began to read. Someone else did a crossword puzzle. Someone else wrote a letter, and in the end only about half the people were listening to the loudspeaker.

Ever since that day there has been an interesting and very important development. Formerly, people criticized the local Nazi bosses or even General Goering or Dr. Goebbels. The Führer, they said, did not know what was happening. Now even Herr Hitler comes in for a large share of criticism. The idol has feet of clay. That discovery does not of

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course mean that he will be overthrown. There is still no organized opposition, although I think there are men in the Reichswehr quite prepared to take over the government at a moment's notice if anything were to happen. But it does mean that the most important factor in war time—the human factor—is less dependable than it was even a year ago.

I venture to suggest, then, that we have here two very important reasons why war is not, or is not inevitably, just round the corner. One is that the British Empire is rearming, and, although those arms and the immense resources that lie behind them might be used in defence of objects that are unworthy—by which I mean that they might be used to prevent change, to perpetuate unjust distribution of the world's wealth, instead of to encourage that wise compromise and reasonable concession which are the secret of statesmanship—they will *not* be used to acquire more territory. They are a safeguard of the *status quo*, if not necessarily of genuine and lasting peace. And, secondly, there is this fact that Herr Hitler can start no new adventures without risking the gravest unpopularity at home and the gravest dangers abroad. And I would remind you that, as the importance of the German army increases, there are fewer dangers of some stupid frontier incident started by some stupid young group of Nazis. No

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general staff is willing to contemplate war unless it believes that the odds are at least five to one in its favour, and it is at least doubtful whether those odds exist in Germany to-day. From all I hear, it is not at all happy about the odds, because it is not sure enough about that all-important factor, the human element. A very distinguished German general was criticizing Herr Hitler quite openly a few months ago because of his simultaneous attacks on Catholics and Protestants. He was not a religious man, he declared, but as a soldier he knew that soldiers who went into battle without having their belief in an after life encouraged were not going to fight very well. I had never before thought of army chaplains as sergeant-majors trying to put pep into their men, but I suppose there's a good deal of truth in it.

There is one point about that human element we ought not to overlook. Despite the intense bitterness of the German campaign against Russia I do not for one moment believe a war between those two countries is likely to take place, and not only because Poland is trying so hard to build a strong line of neutral buffer states between them. I do not believe it because Soviet Russia is the one country Herr Hitler dare not fight, for he cannot tell how strong the pro-Communist feeling inside Germany still is. If he wanted to go to war—and I certainly

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don't credit him with that desire—he could only hope to unite his people behind him by attacking France, whose policy, especially at the time of the occupation of the Ruhr, has left a lot of bitterness behind it, or Great Britain, whose wealth is a temptation and whose negative attitude about colonies, tariffs, and the distribution of raw materials is a provocation.

That he will attack either of these countries in the near future is surely out of the question. The one grave danger, as far as Hitler is concerned, is that he may decide that the timidity shown by those Governments since the Hoare-Laval plan is a guarantee of their inactivity if he starts up some trouble in Czechoslovakia or Austria. That, I believe, is a danger, and it is a danger because our Government has encouraged a narrow, selfish, and cowardly conception of international affairs—the sort of conception, in fact, which it is the object of civilization to destroy.

But if Herr Hitler has no intention of rushing into war we still have Signor Mussolini to worry us. He has never pretended to have a great respect for peace. Or, I should say, he has not done so during the last few years. For his propaganda against the despatch of Italian troops to fight in the Italo-Turkish war in Tripoli brought him into serious trouble with the Italian police. Surely his behaviour in Abyssinia

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and Spain is only the prelude to a more important war in the very near future?

Personally, I doubt that. He, himself, some years ago gave me the best reason why he would not involve himself in a major war. It has so seldom happened in history, he said, that a man who signed a declaration of war was still in power to sign the treaty of peace that put an end to it. It is true that very shortly after he had given me this assurance he went to war against Abyssinia—and he is still in power. But that does not disprove his statement.

The Italo-Abyssinian war was not a war but an abominable act of bullying. On the one side you had a great nation armed with every conceivable method of destroying life, and on the other a few thousand completely uncivilized tribes. Even so, it would now be difficult to find anybody in Italy who still believes that the war has greatly enriched his country. The Duce has made great plans for the ultimate development of Abyssinia as part of his Italian African Empire, but few of these plans can be carried through by a Government which has very little capital and is getting rid of what it has in these adventures in Africa and Spain. But there is more to it than that. With his troops in a position to threaten British communications with the Far East, through the Red Sea, and with South Africa, by the Cape to Cairo route, he would have all our Imperialists in a

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state of complete panic if many of them were not so in sympathy with his methods that they forget to worry about his aims.

And yet he has, in fact, put himself in a position of the greatest danger. We all know that, had the courage and the will been there, the British and the other League of Nations Governments could have stopped the Abyssinian war within a week by closing the Suez Canal. A quarter of a million Italians would then have been cut off in a particularly hostile land from every source of supply. The number of troops in Abyssinia has been reduced, but that danger to Italy still remains.

To a very great extent one may say that Mussolini's campaign in Spain is a source rather of weakness than of strength. A Government which has to provide for armies in Abyssinia, Lybia, and in Spain, and which has such hopelessly inadequate supplies of raw materials, is not going to risk a major war.

In the Far East you have, it is true, a major war in progress, but I, for one, am convinced that the military Government in Japan will not come out of it the victor. Many of you will have read that remarkable book, *Red Star Over China*, by Edgar Snow, and will be fascinated when you read your daily papers to see how the Chinese Communist army is using exactly the same tactics against the

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Japanese as it used during its years of struggle against Chiang Kai-Shek. To an extent which seemed almost impossible in 1931, at the time of the Manchurian incident, the Japanese have succeeded in uniting the 400,000,000 Chinese. If the Chinese armies can avoid the blunder made by the Abyssinians of allowing themselves to be involved in pitched battles, if they retreat when they are attacked and harass their enemy when he least expects it, they will persuade the Japanese to develop such long and difficult lines of communication that a revolution in Japan will be the only possible outcome of the financial crisis arising from the war.

It is to my mind disgraceful and shameful that day by day quite harmless Spanish and Chinese civilians should be bombed to death while we in this country still find excuses for denying that wars are going on in defiance of the League Covenant. We criticize Italy, Japan, and Germany for breaking their treaties, but we show almost the same disrespect for its pledges, and disrespect for a treaty, the League Covenant, which should be the most sacred of all treaties. Sooner or later we shall, I am absolutely convinced, have to pay heavily for our failure to base our foreign policy on the respect of principles.

But there is this to remember, by way of consolation. These Spaniards, these Chinese, are not dying

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entirely in vain. The dictators who order their massacre are winning all the battles, but they are losing the next war. A famous German recently said that you can have bread cards at the end of a war but not at the beginning. These dictators are dissipating their weapons and wealth with a recklessness which must in the long run weaken them. And these bedraggled, ill-equipped soldiers in Spain and China are fighting the battle for democracy that we have so far managed not to fight. And I pray that they may win.

I believe, then, that these dictators who so terrify our Government are not nearly so dangerous as they sound. But all that I have said so far this evening leads to the conclusion, not that we shall avoid war but that we shall win it when it comes. That, I suggest, is not good enough. The democratic Governments have now entirely abandoned even the pretence of building up machinery for the peaceful settlement of disputes. That the British Government should do this is foolish even on the narrowest imperialist grounds. Remember how much effort and money were devoted during the last war to bring as many allies as possible to *our* side. Those allies were only won over when we were able to convince them that we were the upholders of decency and justice, and that their interests would be safe in our hands. When we had enough allies we won

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the war. But only at the cost of four years of the worst struggle in history.

During the Italo-Abyssinian crisis we had as our allies fifty States members of the League. We have lost many of them now. The present policy of the British Government, which is to say that we will show courage only in the defence of British interests, must inevitably lose us many more. I am told in Whitehall that if it did come to a dispute between us and those other Governments that use war, or the threat of it, as "an instrument of national policy" those allies would hurry back to our side. I am not so sure of that. If they have to choose between British imperialism and, shall we say, German or Italian imperialism, it is by no means certain that all of them would fight for an Empire which, with immense resources, immense possessions, and immense power, has shirked its responsibility for the enforcement of international law. Many Governments faced by such a choice might feel more sympathetic towards the acquisitiveness of the "have-nots" than towards the selfishness of the "haves."

It all boils down, then, to this. I believe tens of thousands of lives might have been saved in the Far East and in Spain and in Abyssinia had the great and powerful democracies shown more courage. But I do not believe that each successive retreat,

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each failure to take risks for peace, has added to the real strength of those who believe in war as an instrument of national policy. Their gain is surely only apparent, for it has lessened the enthusiasm and unity inside their own countries—that is true, I believe, of Japan, Germany, and Italy—and has aroused foreign countries to a much greater military effort. What these defeats of democracy *have* done is to diminish confidence in democracy as an institution, and for that the remedy is in our own hands.

For some years the effort to build up an alternative for war has been in abeyance. It has been easy enough to claim that the League had failed and to gloss over the reasons for its failure. But nothing has been put in its place because nothing *can* be put in its place. All that has been done is to increase armaments to discourage anybody who might be tempted to attack us. But no sensible man can pretend that this armaments race is a solution. It is only a temporary, very expensive, and very dangerous safeguard.

Sooner or later we shall have to return to the ideas of collective security and the acceptance of the international settlement of disputes by peaceful negotiation. If we show only a small proportion of the enthusiasm for international order that the Fascists show for their conception of order inside their own States we can bring about a return to the collective

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system without passing through another war to teach us how essential it has become. But we cannot afford to forget that, with each new million spent on armaments, we give more power to the Colonel Blimps, who understand as much or as little about the League of Nations as I understand about military strategy.

With Colonel Blimps and timid politicians at home, and dictators who border upon megalomania abroad, we have clearly a difficult time ahead. But the whole future of civilization depends upon the courage of those who want policy to be based on those principles of tolerance and law which are the very foundation-stones of civilization. And I believe that in every country, be it ruled by a democracy or a dictatorship, there is a very large proportion of public opinion with an instinctive respect for these principles. And, however poor our following may seem to be for the moment, it is not because the fundamental principles have proved wrong, but because we have not insisted more strongly that the men who are supposed to put those principles into practice should be worthy and courageous. "Great is the truth and it shall prevail."

G. D. H. Cole

THE ECONOMIC CONSEQUENCES OF WAR PREPARATION



THOSE OF you who have seen the syllabus for this course of six lectures may remember that my outline began with the words "Ploughshares into swords"; that is to say, with an attempt to describe in a phrase what is happening to the world's economy as a consequence of the enormous intensification of rearmament during the past two years. In that opening phrase I was drawing attention to one aspect of the economics of rearmament—to the diversion, now taking place on a very large scale indeed, of resources of capital and labour which might be employed in the making of useful things to the making of means of destruction. For at bottom in one of its aspects rearmament consists, quite obviously, of a diversion of resources of men and accumulated capital to the making of things which are of no use from the standpoint of human happiness, but are from that standpoint not merely useless,

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but ought to be represented by a minus sign, because they are positively destructive of human happiness.

I put, then, this point right in the forefront of my lecture—this tremendous diversion of resources to the making of means of destruction when we sorely need them for the making of useful things. Obviously, in as far as that diversion is taking place, the correlative of it is a lowering of the standard of living below what is possible at the present stage of the development of technical resources in the world as a whole and in each separate country. If things are used for making means of destruction when they might be used for making useful goods or rendering useful services, the effect is that the peoples must live at a standard of life substantially lower than would otherwise be possible. ∴

So much, of course, is obvious. It is a point that has been made again and again; and, in making it, I do not profess to be saying anything in the least original or anything that every member of this audience will not have thought of for himself. But while I put it before you as a first and most obvious point I want at the same time to adjure you to remember that it is only a half-truth; that as conditions stand in the world to-day it is not true in any complete sense that, the more munitions we make, proportionately the less we make of other things, and that all this activity of rearmament in

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which the world has been engaging is not in fact a net diversion of productive resources from the production of things that would minister to human happiness. In practice, a substantial part of the energy used up in armament-making cannot be regarded as simply subtracted from what the world *would* have produced if there had been no rearmament—although all of it is, of course, a subtraction from what the world *could* have produced if there had been no rearmament.

We must not forget that, with the world in its present state of economic disorganization, activity in the rearmament industries may mean, and has in practice meant over the past few years, what the economists call "fuller employment." It has meant that more people have been employed than would have been at work if rearmament had not been undertaken; and accordingly, apart from the diversion of resources from one use to another, which has undoubtedly taken place on a considerable scale, there has been an actual increase in the total volume of economic activity. To whatever causes we may attribute the revival of general economic activity over the world as a whole in the past two years, and whatever proportionate importance we may assign to different causes, there is no doubt at all that rearmament ranks among those causes; that there are more people employed in the world to-day because

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rearmament is taking place than would have been employed without it, and that, accordingly, it is not possible to subtract the value of the armaments that are being created from the volume of productive activity, and to say that it represents a net loss of output.

I shall bother you with as few figures as possible, but at this point I must make use of a few in order to illustrate what I mean. If you compare the figures of unemployment as they are shown to-day in the official statistics with the figures as they were at the bottom of the world depression in 1932, you find that in Germany the official total of persons in employment, according to the Sickness Insurance returns, is $6\frac{1}{2}$ millions greater now (in the autumn of 1937) than it was in the depth of the depression. In Great Britain, according to the Unemployment Insurance returns, the total number of persons in employment is about 2 millions greater than in 1932.

Now, I am not saying that the whole of these increases, or even the major part of them, is to be attributed to rearmament, nor am I saying that I place implicit confidence in recent German statistics. Nevertheless, there are limits to the extent to which even the most Nazified statistician can cook his figures. Therefore, even if we discount some part of the $6\frac{1}{2}$ millions, still quite enough remains to make it

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clear that Germany is at present in a condition of very intense economic activity, and that German unemployment has been reduced to very low dimensions; and nobody can possibly doubt that a considerable part of the increase in the total volume of employment is due to rearmament. In effect, as we live under a system so idiotic that normally a large part of the available man-power and other productive resources are allowed to remain unused, it is possible by stimulating the production of useless or of positively disuseful things to add to the total volume of economic activity and to bring additional productive resources into employment. It is, therefore, to a substantial extent possible to manufacture armaments without manufacturing proportionately less of the other things.

This is due of course to the absurdity of the system under which we live. But we have to take account of the fact that it means that rearmament is not, *in the short run, at any rate* (I shall have something to say about the long run, later), an unmixed loss from a purely economic standpoint. Owing to the character of our present system there are certain, although by no means equivalent, compensating gains.

With so much by way of prelude let us consider, first of all, what are the general economic effects of war preparation as we can see them in the world

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to-day. The fact that stands out most of all is that, when a country engages in intensive war preparation, it twists its economic system awry. An abnormal stimulus is given to certain industries, and much more of the total volume of available resources of production is devoted to these industries than would be devoted to them in the absence of a rearmament programme. The economy, as a whole, takes on as a result of rearmament a different shape: it is twisted round, twisted to serve a different structure of "consumers' demand," if I may use the technical economists' phrase, and forced to adapt itself to the changed structure of demand. But clearly, when an economic structure is adapted to fit particular forms of demand—that is, to the production of certain types of goods and services—it is at the same time disadapted for other uses; in being suited to the conditions of rearmament it is being unsuited to any other conditions; and this structure, when once it has been twisted round to serve the needs of rearmament, becomes, to a considerable extent, rigid in its new shape, and difficult to change back again. Some industries become abnormally developed as against others. Within the abnormally developed industries there are created types of plant and factory structure that are suitable for the preparation of war materials but are not suited, or, at any rate, are very much less suited, to the production

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of other things; and in proportion as long-term capital is locked up in the providing of materials for the construction of one particular type of finished goods, the type of goods we call "munitions of war," the structure of industry is "rigidified," and it is bound to be a difficult and protracted operation to re-adapt it to a less abnormal and anti-social distribution of the resources of production.

Moreover, as soon as a country has passed into the phase of what may be called "intensified rearmament," there immediately arises, especially in the earlier phases or as long as rearmament is continuing on a cumulative scale, a great disproportion between the production of different types of goods. A number of countries to-day publish index figures of the amount of industrial production, and in some cases the statistics not merely provide a general index measuring the total volume of production from time to time, but divide the output between two broad types of goods: what are called, on the one hand, "consumers' goods"—that is to say, directly useful things—and, on the other hand, "investment goods," things not produced for their own sake, but designed to further the production of other commodities. Such indices are sometimes very revealing.

In Great Britain we do not publish any index of this kind; and it is, therefore, not possible to make a

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comparison for this country. But Germany and a number of other countries do publish such indices, and they are worth considering in relation to the question we are discussing here to-night.

: In Germany to-day, according to the latest figures available from official sources, the output of what are called "investment goods" is actually four times larger than it was in 1932, when, admittedly, the production of that type of goods was at a very low level on account of the depression. Over the same period the output of consumers' goods has only increased by about one-third: Now, under the description of "investment goods" are included practically the whole of the goods we should describe as armaments. The statisticians who compile the official figures show only two kinds of goods: "investment goods" and "consumers' goods." Actually this classification is extremely unsatisfactory from many points of view. From our particular standpoint this evening, we really need to differentiate between three types of product: investment goods, designed to further the production of consumers' goods; consumers' goods themselves; and armament products, which may be either finished munitions of war or capital plant designed for the production of finished armaments. This differentiation, however, cannot be made out from the official statistics. It is only possible to obtain a broad distinction between

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output of "investment goods" on the one hand and "consumers' goods" on the other.

Even since 1935—which, perhaps, is a fairer standard to take, since it was then the really intensive rearmament campaign began—the output of "investment goods" in Germany has risen by well over 30 per cent, as against a rise of only 10 per cent in the output of consumers' goods. Even if we leave out of account the prodigious developments at an earlier stage, the rate of increase in the output of investment goods in Germany since 1935 has been three times as great as the rate of increase in the output of consumers' goods.

Or take Japan, where a similar movement has been in progress. In Japan since 1930 the output of investment goods has risen two-and-a-half times, and the output of consumers' goods has risen, at the most, by roughly 50 per cent. There again you find an enormous discrepancy between the output of investment goods, on the one hand, and on the other things which people can actually use for the normal business of living.

Normally, if the nations were not engaged in war preparation, in due course such tremendous activity in the production of investment goods would lead to a greatly increased output of consumers' goods. After all, what are machines for except, in the long run, to make finished articles that will help to raise

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the standard of life? They can have no other utility—if you leave armaments out of account; but armaments stand on quite a different footing. In the sphere of armament-making machines exist for their own sake, or exist in order to make finished goods which can by no stretch of imagination be described as consumers' goods destined to raise the standard of living, or to minister to any real human need. Doubtless men may be said to consume poison gas; but it would be difficult for the most optimistic economist to regard such consumption as possessing "utility" from the consumers' standpoint.

I am not suggesting that all this prodigious increase in the output of investment goods is due to rearmament. Some part of it, which I do not profess to be able to estimate, is undoubtedly due to other causes. For example, in the early stages of depression and recovery a good deal of "investment" took the form of public works designed to combat unemployment. But more and more in the past few years the continued rapid rise in the output of investment goods has come to reflect the continued and rapidly increasing activity of the armament industries.

My first point, then, is that, when the nations turn towards rearmament on an intensive scale, the effect is to give an abnormal twist to the whole structure of the economic system. Relative productive capacity for making different types of goods

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is radically altered; and it is not possible to change back, without a prolonged and difficult period of transition, from the new structure which has been adopted with a view to rearmament to a structure of the economic system designed to minister to the consumers' needs.

Secondly, in close connection with the twisting of the economy to serve anti-social ends, we must take into account the tremendous emphasis which a policy of rearmament puts on the need for self-sufficiency. We are, of course, by now quite familiar with this phenomenon, as it appears in the German Four-Year Plan. But we are apt to forget that it appears, albeit in much less obvious forms, in our own rearmament activities. For example, the stimulus that is being given to certain forms of production, such as the making of oil from coal at an entirely uneconomic cost, is closely linked up with our desire to increase, at any rate to a limited extent, our home oil supply with a view to war conditions. Again, the twist which we are giving to the production of steel in this country is dominated by the desire to emancipate ourselves from dependence on external supplies. But while we can draw certain examples from this country, both in industry and in various branches of agriculture, far more sensational examples can be found in the working of the German Four-Year Plan. As you probably know, the struggle

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that has been going on in Germany behind the scenes between General Goering and Dr. Schacht has turned largely on this particular issue. General Goering wishes to subordinate the whole structure of German industry to military needs—to carry self-sufficiency to the furthest possible limit. On the other hand, Dr. Schacht, who is much more a capitalist than a Nazi, is thinking of a future not wholly and permanently dominated by war, and is wondering what will happen to German capitalists if the world should ever again become even ten per cent sane. He sees that a world at peace would not be at all a profitable place for an economy based entirely upon military needs. Therefore, although he may not wish to reverse the militarist policy, he does desire to modify the excessive logic of the military mind, and to carry *autarkie* to less extreme measures than are involved in General Goering's conception of the Four-Year Plan.

Germany has not been able, even under General Goering and all his attendant generals, to carry self-sufficiency to anything like completion. But militarist planning has been able so to distort the structure of the German economy that German imports and exports have been greatly reduced, and Germany's position in world trade seriously prejudiced for the future. For example, in 1936 the total value of German imports was only one-third, and

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the total value of German exports only two-fifths, of what they were in 1929. In recent months that position has been slightly modified. In the early months of 1937 there was a substantial rise in German exports; and there was also a still more rapid rise in German imports—imports partly required as a result of the comparative failure of the harvest, partly on account of the absolute necessity of bringing in further raw materials. But even after these increases, which depend on highly abnormal conditions, German external trade, including both imports and exports, remains in terms of value at only half, or less than half, the level reached in 1929. Moreover, even this level is maintained for the moment only because exports are being subsidized in order to obtain foreign exchange for the purchase abroad of raw materials needed by the armament-makers.

What this means is that the German economic system is now producing, under what economists would call conditions of "comparative disadvantage," a large number of things which could be imported, in terms of their cost in human labour and in the using up of capital goods, a good deal more cheaply than they can be made in Germany. It is clear that this cannot be done, on anything like the scale on which it is now being done, without very serious reactions upon the standard of living. It is true that these reactions are not very apparent when we

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look at the official figures. The cost of living in Germany, as measured by the official statistics, remains low, although it has shown some tendency to rise during the past year. Nevertheless, we must admit that it remains remarkably low in view of what has been done to stimulate uneconomic production for the sake of war-time self-sufficiency.

There is no doubt that the Germans have managed, despite the distortion of their productive system, to keep their retail prices relatively low by means of rigid price-control. In other words, they have preferred that there should be a comparatively short supply of things, and that people should scramble for this supply, rather than that shortage should be allowed to bring about a general rise in the prices of necessary commodities. But whether prices rise or not the effect of shortage remains. The economic system cannot be distorted to producing under comparatively uneconomic conditions without large reactions on the internal standard of life. And we are well enough aware, from what we hear of internal conditions in Germany to-day, that the ordinary wage-earner's standard of living under Nazi rule is exceedingly low, and that there is an acute shortage of many kinds of food and other necessities, as well as a serious fall in the quality of production where home-made substitute materials are being used.

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Inevitably, this sort of war preparation, when it results in measures that can be summed up in the term *autarkie*, depresses the internal standard of life. It also has powerful adverse reactions on world trade, and leads, where trade does survive at all, to all manner of diversions of trade out of the normal course of exchange. In many cases this is accomplished by means of special trade agreements. The amount of foreign trade which remains to Germany now is carried on, to a growing extent, by means of special barter agreements with other countries. These barter agreements are the more unsatisfactory because they are often governed at least as much by political as by economic considerations.

Take one simple illustration of what I have in mind. The Germans produce a considerable quantity of butter at home and they also import a considerable quantity from countries with which they have special trading agreements for the exchange of goods for goods under a barter system. Therefore, the German people are encouraged in official Nazi publications to "eat more butter." But in fact most Germans cannot eat more butter because it is much too expensive. Margarine, on the other hand, is substantially cheaper than butter; but reference to the official Nazi economic documents reveals that the German people are sternly discouraged from

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demanding more margarine on the ground that the materials needed for making it can be bought only from countries with which Germany has not made special trade agreements, and therefore have to be paid for in cash. That is the sort of distortion which arises in an economy as a result of the pursuit of self-sufficiency and the regulation of foreign trade under the guidance of military motives.

Nevertheless, I do not wish to over-stress this part of the economic case; for although the adoption of the distorted structure and the tendency towards *autarkie* that I have been trying to describe involve a great economic loss, due to the unstable increases in the real costs incurred in producing, this loss of productivity is to a substantial extent offset, while the phase of intensive war preparation lasts, by the feverish economic activity which this preparation sustains. Things are produced at substantially higher real costs: nevertheless, they are produced. That is a very big offset—as compared with what happens in countries which, even though they are working under conditions of lower cost, allow a considerable proportion of their man-power and productive resources to remain unemployed. In other words, there is so much slack in the normal working of the capitalist system which can be taken up, and that slack is so largely taken up in the phase of intensive rearmament, that in the short run the net loss is con-

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siderably smaller than a consideration of the comparative costs of production would seem to involve.

Let us not, on that ground, over-stress the economic case. We must remember that a country which decides to go to war, or to go in for war preparation, does, to a considerable extent, therewith escape certain of the disadvantages which normally attend the working of capitalism. Such a country runs doubtless into still greater disadvantages, but these cannot be taken as net loss. They have to be set off against the feverish economic activity which war preparation keeps in being.

But, of course—and this is my third point—this feverish activity has to be paid for. It is largely directed to the production of goods for which there is no consumers' demand, apart from the demand of the State itself; and, accordingly, somehow or other, the State has to foot the bill. As far as I know there are only three ways in which the State can do this. One way is public borrowing; a second is bank inflation; and the third is taxation.

Suppose the State adopts the method of taxation. Undoubtedly when, in a phase of activity of this kind, rearmament is intensified and more money is demanded by the process of taxation there will be a very strong tendency to make the tax structure as a whole more regressive than it previously was. The

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argument will be something like this: If the level of direct taxation is raised to anything like the heights which are required in order to sustain the amount of Government spending which is necessary for war preparation, the effect will be to destroy capitalist confidence; the Government will have to make itself very unpopular with the very people whom it wants most to have on our side, whereas if a considerable part of the increased taxation can be passed on in indirect or concealed forms to the general mass of consumers, in all probability it will be some time before they wake up to the fact that they are footing the bill, even if they ever wake up to it at all. Therefore the tendency, wherever war preparation is financed to any considerable extent out of current tax revenue, is for the tax structure to become more regressive. As everyone should know, in this country the tax structure has become much more regressive in recent years. A comparison of pre-war taxation with that of post-war years shows that there was a real development of progressive taxation in the years immediately after the war. For a number of years it was true that the rich were being more heavily taxed in comparison with the poor than they were in 1914. But to-day, in face of the sharp rise in indirect taxation, the tendency is already all the other way. Our tax system is becoming definitely more regressive. We are putting more taxes on the

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general body of consumers, and less, proportionately, upon the richer classes.

The second way of financing rearmament is by Government borrowing. Now, of course, such borrowing serves much the same immediate purposes, and acts immediately in much the same way, as Government borrowing for any more productive purpose. In the short run there is not much difference of economic effect between Government borrowing for public works, which most of us have advocated as a means of offsetting trade depression, and Government borrowing for rearmament. Both of these put more money into circulation, and increase the spendable incomes in the consumers' pockets. But there is one big difference. When a Government borrows for the purpose of offsetting a trade depression, it does so with the definite aim of evening out the demand for capital for investment, so as to expand its own demand for capital goods at times when the private demand for them is contracted. But in the case of borrowing for rearmament that is precisely what the Government cannot do. The demand for capital for purposes of rearmament is entirely independent of the trade cycle. It is entirely unrelated to fluctuations in private investment; and the probability is that Government borrowing for rearmament will reach its maximum just at the point when private demand for investment has also

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reached its peak. Of course, the Government borrowing will react on the level of consumers' demand in either case, irrespective of the use made of the borrowed money. But it will be impossible for the Government to taper off its demand for borrowing for rearmament as the private demand for capital rises, whereas this is precisely what Governments are urged to do in the placing of orders for public works. Indeed, the entire conception of "public works policy" rests on this evening out of the demand for capital, by making public investment vary inversely with private. Thus there is likely to arise, whenever Governments are borrowing heavily for rearmament, a situation in which the Government and the private capitalists are competing against each other for the available supply of capital. The outcome of such a situation must be one of two things: either there must be a sharp rise in the rate of interest in order to ration the available capital between rival claimants, which means in effect that the Government will have to pay through the nose for its borrowings, while many private borrowers go short; or, alternatively, additional money will have to be created out of nothing through the banks—a form of inflation which will lead to a crisis as soon as the Government ceases to pour out money on an ever-increasing scale. I do not say that we in Great Britain have yet reached that point in re-

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armament finance, or even that it has been reached in Germany. Nevertheless, it is clear that, both here and in Germany, there is already a considerable increase in the quantity of money in circulation. Unfortunately, the German figures of bank deposits are not published in a usable form; but the circulation of notes in Germany has risen by something like a quarter since 1935, and in Great Britain as well there has been an increase in the circulation of currency in the attempt to maintain the régime of cheap money.

Normally, the method used in financing any considerable rearmament campaign is the method of borrowing, so that the economic consequences of rearmament appear, *inter alia*, in an increasing volume of national debt. There are some economists who, wanting something to be optimistic about in a world forlorn, repose great hopes on these increases in the debts of nations as likely to bring the process of rearmament to a stop—at any rate in countries which are less wealthy in accumulated resources than Great Britain. “How long,” they ask, “can Germany—and, still more, how long can Italy or how long can Japan—go on playing this expensive rearmament game? How long can these countries go on piling up unsound debts, financing themselves by all sorts of obviously unsound mortgages upon the future, or by pressing down the standard of

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living among the people? How long can they carry on by methods which allow rich taxpayers to postpone payment of taxes, as they have been doing in Germany, on condition that the money is devoted to capital works? How long can they be served by extracting curious sorts of capital levy, as Mussolini has recently done in Italy; or by any of the other expedients which Governments have adopted in order to make an apparent balance in their budgets, where no real balance can possibly exist? How long can Governments go on in these ways without sheer collapse?"

Believe me, Governments can go on doing this sort of thing for a very long time. If a country is under a Government—particularly a dictatorial Government—which is in effective control of the monetary machine, in control of the resources of propaganda, and able to suppress all criticism by rival parties, it can go on playing even the most preposterous games for an unpleasantly great number of years. At all events, it can do this, if it can find some clever financier to play the game on its behalf in such a way as to induce its capitalists and investors to believe that the risks of opposing it are greater than those of giving it support. If it is not possible to find a clever financier to manipulate things on these lines, it is very likely that the Government will get into serious difficulties. But if we assume even moderate com-

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petence in the management of unsound economic expedients, backed by an adequate mixture of force and cajolery from those in power, then for an unpleasantly long time Governments can go on manipulating and manipulating and manipulating, and can carry on without real fear of economic collapse. No degree of unsoundness in their internal policies will by itself induce a collapse, as long as the Government can isolate its expedients from the outside world.

One of the chief reasons for the pursuit of policies of *autarkie*, which are from the economic point of view in the long run thoroughly indefensible, is that by diminishing the intensity of foreign pressure they make Governments more immune from the consequences of unsoundness in their financial manipulations of the economic system. Governments can continue to manipulate their internal financial conditions—I will not say almost indefinitely, but for so long a period that they need not bother very much about the prospects of ultimate collapse. It is, I think, foolish to look for the collapse of the economy of any of the Fascist countries, even of the weakest link in the chain, which is Italy, merely on grounds of internal financial or economic unsoundness. It is true, of course, that this sort of unsoundness might count for a great deal, and might become a profoundly important exaggerative factor if some-

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thing else—some impact from the outside world—were to cause a crisis in Italy, or Japan, or even Germany. If that were to happen, the very rottenness of the internal economic system might deprive these countries of the recuperative power needed for overcoming the crisis. But of itself the uneconomic character of their internal policies will not knock them off their perches. Of itself it will take far too long to operate for it to be a factor of which we need take much account.

To sum up. Financially and economically, the leading Fascist countries can probably go on for some considerable time with the extraordinary policies which they have been following in recent years. In as far as there is a point of weakness, financially or economically, that point of weakness is to be found very much more in Italy than in Germany. This is simply because the Italian economy is much worse adapted to playing the game of *autarkie* than the German. Italy is inevitably and necessarily much more dependent on imports than Germany; and accordingly Italy could not, even if she had a dozen General Goerings, or even a dozen Schachts, act anything like so effectively as Germany in reducing the strain upon her foreign exchanges. Reference to recent Italian figures shows that imports have leapt up in recent months to more than double what they were even a year ago.

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That cannot last, and Italy therefore is a weak link in the Fascist chain; but I do not believe that the weakness of the Italian link, though it may diminish the ability of Italy to go on giving external assistance, for example in Spain, and though it may cause Italian rearmament compulsorily to slacken off, is in the least likely to bring about any structural collapse of the Italian economic or political régime. The weakest country will doubtless feel the strain first, but it is unwise to base false hopes on an impending financial or economic collapse of any of the Fascist countries.

Let us, moreover, remember two further things: first, that, the greater the strain on a country comes to be, the more will it tend for a time to intensify its *autarkie* measures, in the hope of alleviating the intolerable strain in its supplies of foreign exchange; and secondly that, if any of these countries does reach a point when it feels its economy near breaking under the strain, it will probably, sooner than face a break, deliberately risk the last desperate throw of war.

I want now to pass from the underlying economic realities to some consideration of the psychological consequences of war preparation. In this connection the first thing to bear in mind is that war preparation makes for intense uncertainty about the future, and that, in its turn, this uncertainty induces the taking of short views. If men do not in the least know

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what is going to happen in the world, they are not able to act on the assumption that they do know. But all business activity involves the business man in acting on the assumption that he does know at any rate something about the future. It is necessary, of course, for him to act in some way, however uncertain he may feel; and, accordingly, he tends to act in whatever ways involve the fewest possible assumptions. This results in his giving the greatest possible weight to very short-run considerations and the least possible weight to considerations which require longer-run assumptions about the future. In other words, war preparation has the psychologico-economic consequence of putting a premium upon taking very short views. The unwillingness to take long views is well illustrated in the decline of long-term investment, apart from investment in industries directly stimulated by rearmament, or re-investment of existing capital, or new investment deliberately stimulated by some sort of subsidy or Government guarantee. Above all, it is illustrated in the immense decline that has occurred in long-term foreign investment of every sort.

One of the most remarkable features of recent economic development has been the virtual disappearance, save for a few exceptional enclaves, of long-term overseas investment. That may be in the long run a good or a bad thing. With that question

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I am not now concerned. But the capitalist world has long been used to a large volume of long-term foreign investment, and the whole economic structure of the world is, in the fashionable phrase, geared to long-term investment on a very large scale. If then for any reason this flow of long-term foreign investment is dried up, inevitably there follows great disturbance in the development of the world's economic resources. Such a disturbance we are actually witnessing to-day. The whole world-system is geared to intensive foreign investment; but foreign investment at long-term involves the taking of long views. At present the investing classes are simply not prepared to take long views. Naturally so; for the future is altogether too uncertain for any confident predictions of the long-run yield of such investments to be made. The result is that there is a tremendous silting up of money which would, under other circumstances, have found its outlet in long-term foreign investment. In short-term form, in liquid form, this money silts up in banks. Its owners remove it uneasily from one banking centre to another, sometimes in search of a rather higher rate of interest or, indeed, of any interest at all, but sometimes in panic flight from the high rates of interest they are in search of—because they cannot conceive of any financial centre raising its rates unless it is threatened with collapse.

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We have, then, at present, a vast quantity of what financiers call "hot money"—that is, of uninvested short-term mobile money—flitting about the world and disturbing conditions in every financial centre. This leads, in its turn, to another manifestation of disequilibrium, particularly in the movements of gold. The present gold situation in the world as a whole is sheerly fantastic. There has been a great increase in the current output of gold, not because anybody wants gold, but because its commodity and currency value have been increased by the depreciation of the world's lending currencies. Nobody wants this new gold. Everybody would like to say: "Take it away." Nevertheless, exhausted gold mines of which ardent speculators had despaired a generation ago are to-day again making huge profits. The Soviet Union, instead of having to export goods which it badly needs at home, is buying its imports from the rest of the world with an output of gold which threatens to overtake that of South Africa; and most of the new gold is silting up in New York and London because no one else is rich enough to buy it, and because these two centres feel compelled to sustain the gold position in order to avert a complete collapse of the world financial structure.

All this absurdity arises partly out of the decay of foreign trade of which I spoke earlier, but still more

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out of the disappearance of the long-term movement of capital overseas. The gold reserve of the United States, which was already colossally high in 1933, has been practically doubled since that year. The gold reserve of Great Britain has also been practically doubled. This is not because either of those countries has the smallest need of additional gold—in fact, both of them have taken measures to sterilize a large part of the inflow—but because there are no other outlets for the ever-increasing supply—and somebody has to pay for it if the world economy is not to collapse. Thus it comes about that the taxpayers of the United States and Great Britain are paying the greater part of a bill of about £200,000,000 a year for gold which they do not want and which they then proceed to hide away and do nothing with.

That is one aspect of the premium upon short views which rearmament involves. Side by side with it we may consider another aspect of the same tendency. Under the present conditions of world economy and with the world output directed as it is to-day, there is no such thing as a criterion of economic rightness, because there can be no knowledge of what is, economically, the right course to adopt. No one can say what, if he were the economic man, he ought to do. That being so, what happens? Take, for instance, the stock markets. They are not,

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even under more normal conditions, at all an accurate reflection of economic rationality. But in these days they fluctuate wildly to and fro without rhyme or reason. On the whole, the net effect of the war-scares that spread round the world is neither to raise nor lower stock exchange values, but to make them oscillate wildly from extremes of optimistic to extremes of pessimistic valuation. Their changes reflect, not real changes in economic expectations, based on some attempt to estimate the probable course of technical development and consumers' demand, but the mental bullishness or bearishness of speculators altogether emancipated from the requirements of rational judgment. Even under more normal conditions stock exchange speculation involves a large element of sheer gambling; but to-day nobody can do anything except gamble. It is no longer possible to invest in anything that is not a gamble on an entirely unforeseeable world future.

Still on the psychological plane, whenever there is distortion of the economic structure in any of the ways I have described, through extended production of armaments or of things which help in the production of armaments, or through attempts to put a country on a basis of self-sufficiency with a view to greater security in time of war, every distortion of this nature immediately creates a new vested interest.

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Every time it is decided that one thing shall be produced on political grounds where otherwise it would be preferable to produce another, the producers of the preferred commodity become a vested interest determined to maintain the conditions which will allow them to continue producing it, however much the conditions in the world may change. Behind each distortion there develops a vested interest determined to do all it can to perpetuate the new condition. This is true both of each particular commodity and of the system as a whole. Vested interest is pledged not only to maintain the production of the particular commodities of which it has been thought desirable to stimulate the output in view of war-needs, but also to maintain in existence the régime that makes possible the extended production of such commodities. It is like the house that Jack built: you have to deal not only with the particular capitalists who are profiting by re-armament, but with the whole complex of political and economic vested interests that have grown up under the régime, and see themselves threatened by any attempt at a reversion to more normal conditions. Vested interest in a régime that makes for war follows from a distortion of the economy to the making of the munitions of war, and from the economic activities which are fostered under such a régime. The longer such a state of affairs lasts,

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that is to say, the longer the distortion continues, the more the vested interests become entrenched, and the greater becomes their power to maintain the régime in being. Every tariff, every quota, every subsidy, becomes something that means fortune or misfortune to some powerful vested interest. However much conditions may change, those vested interests will be determined to maintain the privileges which have been granted to them. They will put up the devil of a fight against every attempt to return to sanity.

Consider also the psychological reactions on the Governments themselves—for example, in their attitude towards colonial exploitation. Conditions under which everything is being subordinated to the interests of rearmament and national security; conditions, fostered by *autarkie*, of rising tariffs, quotas, subsidies, and all the other familiar accompaniments of economic warfare, inevitably influence the attitude taken by the step-mother countries towards their colonies. Colonies come to be regarded more shamelessly than ever as economic assets which have to be exploited to the full. As colonial exploitation becomes more intense no hesitation is felt in depriving the natives of the means of living after their own fashion, or in taxing them so heavily that they are driven to forced labour in the white men's concessions, or in lowering their standards of living by imposing pro-

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protective tariffs which raise prices against them in the interest of the manufacturers of the imperialist country.

Add to this brutalization of imperialism the psychological reactions on the attitude of the Government towards the citizens at home. A Government which is engaged in militarizing the nation is inevitably hostile to every living tradition of domestic liberty which may get in its way; it becomes in civil and political as well as in economic matters increasingly ruthless. There follows, among all sections of the people, that growth of the inhumanities of which we are only too sadly aware in the world to-day.

Finally, still in the psychological realm, the man of science becomes poisoned by the necessity of diverting his scientific research from creative to destructive ends.

And now a few words about the outlook in our own country. At present we in Great Britain are in the first phase of war preparation. We are still putting up factories and providing capital and plant for the future production of munitions of war on a colossal and unprecedented scale. But some time this first phase of rearmament activity must cease, unless total expenditure on armaments is to rise cumulatively every year. In other words, before long we shall have reached the phase when most of the necessary factories will be finished and ready for

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work, and we shall no longer, unless the Government decides to arm on a yet more colossal scale, be putting the same amount of activity into capital development for war purposes as we are to-day. Present estimates of the cost of rearmament are based on the supposition that, when the factories have been built, we shall need only to keep them going on a comparatively small current expenditure in order to have them ready to be brought into full production if war actually breaks out. Quite clearly, when and if that second phase is reached, the amount of direct employment provided by rearmament will become a great deal smaller. As I have said, this situation need not arise as long as rearmament is proceeding on a cumulative scale. If Parliament decides to spend £150,000,000, £300,000,000, £900,000,000, and £1,800,000,000 in successive years, no doubt this country can remain in the first phase of rearmament until we reach the point at which the entire man-power of the nation is occupied in erecting shadow factories in every minute that can be spared from the task of providing for the minimum needs of bare subsistence. But short of cumulative rearmament on an ever-increasing scale Great Britain is bound, before long, to enter upon a phase when war preparation will generate substantially less employment for both capital and labour than it is generating at present.

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Just now in certain trades, even though there remains a large mass of unemployment in the country as a whole, there is a shortage of the requisite types of skilled labour. A large mass of labour from other branches of production has been sucked into the processes of armament-making. But a good deal of this labour is likely to be extruded from the armament industries before long as the first phase of rearmament draws to an end. Can we feel any confidence that this labour will thereupon be simply and rapidly re-absorbed into other branches of production? Bearing in mind the reluctance of capitalists, even now, to make long-term investments in industries which do not minister to rearmament, I can feel no such confidence. A large part of the process of recovery in Great Britain from the bottom of the last slump depended on the impetus given to private building activity by the fall in interest rates. But this impetus is already working itself out. Already building activity is slowing down; and if rearmament reaches its second phase, in which it will generate a much smaller amount of employment and distribute a smaller total of purchasing power, certainly building activity, so far from increasing, so as to offset this fall, will tend to slow down still further. The disemployment which may be expected to accompany the second phase of rearmament, especially if it coincides with a continued recession

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in the building industry, may easily be enough to start a major slump, which, in face of the uncertainties and insecurities of the entire world outlook, both political and economic, might carry us to even lower depths than the crisis of a few years ago. I do not pretend to be able to predict when the next slump is due to arrive. I simply do not know; for that too is among the uncertainties of the future. But I can see plainly that there will be a very real danger point as soon as the rearmament campaign has passed the peak of its first, factory-building, phase, and begins to move into its second phase in which the need will be rather for the maintenance of a "shadow" organization than for a continuance of new construction.

What then ought we to do? Clearly, we ought to prepare at once for the possibility of a slump. In one important aspect, this means preparing to offset the decline in the demand for labour in the armament industries by providing for other forms of employment. This involves that, as the expenditure on rearmament slackens, the Government shall be ready to spend money freely in other ways in order to maintain the level of economic activity. It involves continued expenditure out of public funds, in face of an additional debt charge incurred on account of rearmament. The only effective way open to the capitalist system of offsetting the next slump will be

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by the development of public works. Mere monetary manipulation will not, I am convinced, be effective; for credit is already abundant, and the problem will be not to make more credit available, but to provide means of employing what there is. But if capitalists are too uncertain about the future to risk their money in long-term investment, there is no remedy except for the Government to step into their place.

But as soon as rearmament activity slackens, or other signs of recession arise, we may be sure that the ruling classes in this country will again clamour, as they did in 1931, for "economy." So far from being willing to spend money on the provision of public works, they will demand that all public expenditure, including Government expenditure out of borrowing, shall be drastically cut down. High taxes, they will say, are ruining them; and they will insist, if they can, that taxation shall be reduced.

We ought already to be asking ourselves to-day whether we are in a position to defeat the clamour that will inevitably arise from the capitalist class for reduced expenditure on public works at the very moment when the labour demand created by rearmament has begun seriously to fall off.

This question is of special importance for the Labour Party. For it is possible, and even probable, that the present Government, having failed to take

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the requisite measures for checking the depression, will hand over the country to a Labour Government, or to some sort of "Left" Government, just when a situation of the sort I have been describing has to be faced. Has the Labour Party thought out clearly enough what the right policy in such a conjuncture would be? I do not feel confident that it has.

When the Labour Party drafts its new programmes it does not seem as a rule to be thinking very much about booms and slumps, or about the different policies which are appropriate in different phases of the economic cycle. Even Labour's latest programme, though it is a great improvement on past pronouncements (because it is a programme, and not an *omnium gatherum* of reforms and aspirations), seems to rest on the assumption that the economic system will go on working of itself while Labour is tinkering with it. Yet it is surely of vital importance that, side by side with the programme which the Labour Party hopes to carry out if conditions are favourable, there should be, if not for publication at any rate for domestic consumption amongst potential Cabinet Ministers, an alternative programme dealing with the special measures which will have to be adopted if the Labour Party finds itself taking office not in a period of boom, or even of relative economic stability, but in a period of rapid decline following upon a simultaneous fading out of building

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activity and of the stimulating short-run effects of rearmament.

But we are not concerned in this course of lectures solely with what happens here, or with what a Labour Government will do in Great Britain, but with the world as a whole. What we want, above everything else, is some agreed method of scaling down armament activity by promoting an agreed scheme of disarmament. That is what we must want, however hopeless we may feel about getting it, and however conscious we may be of the egregious failure of the last attempt. Let us for a moment suppose—wild as the supposition must seem in the present state of the world—that it were possible to get the Germans, the Italians, and the Japanese to agree that instead of turning ploughshares into swords they would turn swords into ploughshares, and that representatives of the nations assembled in a new Disarmament Conference. Let us try to envisage the economic difficulties which any real measure of disarmament would involve. The statesmen would have at the back of their minds the knowledge that rearmament had been carried to such a stage in their various countries that the change-over, if armament-making were suddenly to cease, would involve a vast amount of economic dislocation and might easily lead to a major economic crisis unless alternative methods of stimulating in-

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dustry could be found. Any Disarmament Conference—if you can imagine such a body meeting at all in the present state of the world—in drawing up its plan for world disarmament would necessarily have to include in it measures for the re-employment of the displaced resources that would otherwise be left derelict in every leading country as a result of such an agreement. There would have to be, as an integral part of the plan, some sort of international convention designed to promote the re-employment of the displaced resources. But it would be exceedingly difficult to work out any such plan within the limits of the capitalist system; and, under capitalism, the first requirement would be that the owners of capital—or in their default the Governments themselves—should make provision for a resumption of international long-term lending on a fairly considerable scale. I do not believe that there is ever likely to be a resumption of long-term capitalist lending abroad on anything like the scale which prevailed prior to the Great War; but as a short-run measure, accompanying a disarmament convention, one essential thing would be to provide capital resources for the development of the poorer and less advanced parts of the world—for those national “distressed areas” which have been starved for want of capital supplies during the years since the world slump began.

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This makes it important that the United States should play an important part in any measures that may be taken for the restoration of world economic sanity. That is why it is important to do whatever we can to prevent the further growth of the isolationist spirit in America, and, if close political co-operation seems to be for the time being impracticable, at all events not to miss such opportunities as are offered in the economic sphere. The British Government should, for example, be strongly pressed to come to some sort of international trade agreement with the United States, even if that means modifying the Ottawa Agreements and reducing tariff and other barriers erected against the Americans. Such a trade agreement might be valuable much less for its direct economic effects than for its contributions to a revival of the spirit of international economic amity. It might help not only in stimulating trade, but even more towards restoring a readiness to lend across national frontiers. It might contribute towards unfreezing the world's gold-stocks and getting the wheels of industry working again.

In saying this it may be argued I am simply putting in a plea for the restoration of capitalism, instead of doing my best, as a good Socialist, to hasten its fall. But would any of us, however keen a Socialist he may be, really welcome another slump,

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in the hope that it might lead, this time, to an irretrievable capitalist collapse? Would any of us—nay, would Stalin himself—be really pleased to hear tomorrow morning that British capitalism had finally and irretrievably gone down the drain? Perhaps Stalin would—if he heard at the same time that Nazi Germany and Fascist Italy and Imperialist Japan had been simultaneously involved in the universal ruin of world capitalism. But what if the collapse left these militarist régimes in being, or even for the time strengthened their hold? I, at any rate, vastly prefer parliamentary capitalism to Fascist capitalism, and look forward without any feeling of satisfaction to the possibility of a renewal of slump here and in America while the world is in its present state of acute political tension. Therefore I want, even under capitalism, to do what can be done to stave off an economic crisis and to restore international economic co-operation.

Not very much, I am afraid, can at present be done. But even less is possible while America stands aloof from Europe than will become practicable if she can be induced to collaborate. In the economic field, closer collaboration between the United States and Europe alone seems to hold out any hope of improving conditions, even over the next few years. But, just as I fear that a world mad enough to beat so many of its ploughshares into swords will not fall

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short of the ultimate insanity of using its instruments of destruction, so, even in economic matters, I fear men's minds are so poisoned by nationalism and the economic hostilities and suspicions which militarism engenders that they will not be ready to act even on the mild prescriptions of pacific economists, much less on those of Socialists who call upon them to seek truly internationalist remedies. For we are living in a mad world. The logical outcome of war preparation is—war; and war, ending perhaps in the complete annihilation of all our economic values, is its likeliest economic, as well as political, consequence.

Sir Stafford Cripps, K.C., M.P.

THE POLITICAL REACTIONS OF REARMAMENT



IT IS NO easy task to attempt to assess or analyse the political reactions of rearmament. The reactions of individuals and groups to Governmental policies are generally so confused and complex that it is almost impossible to isolate those which relate to one factor of policy alone from the general and vague political feelings of a people.

I am, however, bidden to make the attempt since those who gave the title to the lecture demand that the effort be made.

The term "rearmament" may be applied to a number of different policies. It may, for instance, indicate nothing more than a slow growth of armaments arising out of an extension of responsibilities for so-called policing purposes in a growing Empire after a period of compulsory economies, or it may, as in Great Britain to-day, denote a deliberate and planned part of a power policy which is integral

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with the foreign policy of the Government. It is with this latter type of rearmament that I shall deal.

Such rearmament, being part and parcel of the foreign policy of the country, cannot be regarded in isolation or as separate and distinct from the international political actions of the Government, for which it is intended that it shall provide the sanctions. The volume and speed of rearmament are decided by the Cabinet upon the advice of the fighting services, which advice is in its turn based upon that put forward by the Foreign Office.

In times of peace and calm, rearmament is primarily unpopular with the great majority of the people in any country. It offends against the general sentiment for peace and it appears to the ordinary citizen to be a great and unnecessary waste of resources which might otherwise be left unspent or might be employed to raise the national standards of living. Nearly everybody would choose either to remain untaxed or to see the money collected from them expended upon such things as hospitals and parks, rather than upon battleships and guns.

Great armed forces are tolerated only because they are believed to be unpleasant necessities and that belief arises out of what is regarded, rightly or wrongly, as the imminent danger of war. The fact that rearmament itself increases the war danger is overlooked, not only because of the false propaganda

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to the contrary, but because people do not yet realize that war arises essentially from economic conditions and not, as is so widely assumed, from merely political, racial, or religious differences.

Those who to-day control the destinies of the majority of countries, and so are generally misnamed statesmen, are only too willing to play upon the ignorant emotions of the people in order to persuade them of the wisdom of a rearmament programme which, if they realized the true facts of the situation, they would condemn as the purest folly.

As was stated by a late member of the House of Commons in May 1935: "We must mobilize before the war and not wait until war begins. Mobilization of thought is the beginning." Or even more picturesquely by a member of the House of Lords in November 1936, speaking of the use of poison gas—"And it is not merely the drill and mechanical training or the discipline that is wanted; the concurrent psychological training to dispel prejudice is absolutely necessary." Fortunately, the ordinary human being has a prejudice against the use of poison gas till it has been dispelled by suitable psychological training.

Rearmament is always, of course, stated to be for defence purposes. Even the Japanese to-day employ this myth in their most blatantly aggressive war on China. In its early stages, when the danger of war is

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still distant, hardly any people would tolerate the wastage or the dangers inherent in the piling up of great quantities of munitions of war, unless they could be persuaded that their liberties, their country, or their safety were being threatened from without. I stress this point because it is necessary to understand that the reactions of a people to rearmament are largely conditioned by the propaganda to which they are being subjected by their rulers. Rearmament, therefore, is always heralded by the announcement of a state of international crisis. The creation of such an atmosphere is an essential part of the propaganda of those responsible for the policy. Though, as a rule, the greatest care is taken not to name openly the anticipated enemies, the people are left in no doubt as to the danger indicated and the quarter from which it is to be expected. Where the imperialist statesmen have sponsored a condition of world anarchy, as to-day, it is hardly necessary for them to do more than point to their own achievements.

The actual state of international fear and friction for which they are responsible is in itself sufficient to convince the majority of the people that urgent dangers are inherent in the international situation. But even so, as the burdens of rearmament grow, as the people become acclimatized to an atmosphere of chronic crisis, and the necessity for recruiting the

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common people into the munitions industries and into the armed forces of the Crown become more urgent, the insistence upon the dangers of invasion and attack must become louder. The flagging fears of the common people must be whipped up lest by some mischance cool reason should take possession of their minds. The international crisis must be dramatized in its national aspect by a more definite indication of potential enemies and by emphasis upon such matters as air raid precautions so that the emotion of fear may be given fresh power and the people may become less critical of the sacrifices demanded from them.

It is at this stage of the rearmament propaganda that the ruling class in the attempt to obliterate its political opponents, seizes its opportunity to consolidate national opinion behind its policy of rearmament. Nationalism, the political alibi for competitive capitalism, is placed in the forefront of all propaganda. The need for national unity is stressed and every available organization, political, religious, and social, is drawn in to play its part in creating the psychology of war and in organizing the country upon a war basis. Such organization must to-day concern itself not only with the professional army, navy, and air force, but with the entire civilian population, men, women, and children. Even the babies in the homes for orphaned children are

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brought in as subjects of experiment in methods of gas protection.

To cloak the realities of the situation and to give an appearance of truth to this drive for the concentration of power, to this creation of a totalitarian war state, the traditional calls to patriotism are furbished up and once again produced. Those same old appeals which have so often misled the workers in the past are tried once again, and still they seem, unfortunately, to retain to a large extent their emotional power. "For God, King, and Country" has for centuries been the battle-cry of privilege and wealth with which to rally to its support the workers and the poverty-stricken unemployed.

In the great gamble of death to which the workers have so often flocked in response to this false summons, with all the multitude of variations that ingenuity has been able to devise, their lot is to draw wounds, death, and economic suffering. One or other of the contending capitalist classes may draw from the pool of death some temporary extension of their power, or the satisfaction of seeing their rivals ruined, or perhaps the continued protection of their own vested interests and property. One thing, however, is certain that in the long run, though war-mongers are too short sighted to see it, the defeated parties will return to the tables of war with even greater stakes than before. No one would for a

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moment deny the magnificent spirit of self-sacrificing loyalty with which young heroes of all classes throw themselves into the struggle which they so mistakenly believe is to save civilization. There is no greater tragedy in the events which we celebrate to-night—Armistice night—than the splendid but—oh, so false—idealism that lead hundreds of thousands of the flower of our country to their death on the battlefields of 1914-18.

It is as well that we should try and analyse this battle-cry of capitalism, paraded not so much by the brave idealists but by the smug leaders on the home front. Then we shall recognize it for what it really is, a blasphemy and a deceit.

Take King first. The King, in a constitutional monarchy such as our own, is but a titular sovereign. The full sovereignty of the people has long since resided in Parliament. It is a convenient and necessary convention to personify the sovereignty of the state in some individual, notionally and legally perfect—a conception summed up in the phrase "The King can do no wrong." He is above the law, and the nominal source of the great sovereign prerogatives of justice, honour, mercy, and eminent domain.

I do not impugn the impartiality of the Crown, acting as it must on the instructions of the Government of the day, but I assert what is, I believe,

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obvious to anyone with an objective outlook that political parties and Governments, as a means of perpetuating nothing more important than their own power and privileges, can, and often do, make a very dangerous and wrong use of the traditional and semi-feudal loyalties which still surround the idea of kingship in the minds of the common people. Can anyone who examines the position frankly have the slightest doubt but that the unprecedented displays of the last few years in connection with royalty in this country have been deliberately staged by the ruling class to advance their own political interests?

They realize only too well the value of such propaganda to themselves. Such an emphasis upon the outward symbols of royalty is of especial importance to the ruling class when they are intent upon creating the psychology of a war crisis in which they are thus enabled the better to use an appeal to the people based upon their traditions of personal loyalty to the Crown.

When the call of "For God, King, and Country" is made it is not for the protection of the King as a person or even as a sovereign, but rather as typifying that which those who use the phrase desire to protect. To them the King is the symbol of their own power, their own wealth, and their own privilege, but thanks to tradition and the emotional lack of reasoning

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power amongst the masses in times of political and international crisis, it has hitherto been only too easy to deceive the peoples with such a slogan.

A more bald statement of the objectives of imperialist war would disgust and would not attract the workers.

The phrase "Our Country," should, on the face of it, at least include, indeed it should designate, the interests of the great labouring majority of which our country so largely consists. Instead it is used to denote, in the minds of those who are so free in their professions of patriotism, their own property and vested interests which they seem more anxious to protect than the lives of the common people. ✓

When we hear the oft-repeated phrases about saving our land from the hand of the invader or our homes from the grasp of the aggressor, it is not inappropriate to enquire who owns this land and these homes, and the answer comes, if the truth is told—to an overwhelming extent, the privileged class of property owners.

Let me sum up the attitude of this class in the apt words of the author of the *Road to War*.

"The purpose in life of a conservative is precisely to maintain the existing class structure of society. He sincerely, passionately, identifies the protection of capitalist interests with the survival

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of the nation and the saving of civilization. The propertied classes are to him the whole nation, and a Government that represents them is a National Government. His sense of honour is similar to that of the Regency bucks who paid their gambling debts to their friends and bilked their tradespeople."

Let me turn now to the third of this Trinity of deceptions.

The influence of institutional religion is still considerable in our country. On such assumedly moral issues as those of Peace, War, and rearmament the Churches and particularly the Established Church can still speak with a voice that is heard. But the Church of England is, unfortunately I believe, an established part of our constitution and the leaders of that Church must act the role of half-statesmen and half-churchmen. Some of the lesser lights struggle to be wholly Christian, an attitude which must gravely embarrass their colleagues. One such has but a fortnight since given his life to the service of a true religion of which his Master would have been proud. In Dick Sheppard, whatever our views may be upon pacifism, we mourn a great and courageous Christian. It is, of course, difficult to be compelled to identify an imperialist and capitalist Government, in the light of its past history and

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present acts, with a Christian Church, and yet the leaders of the Established Church find themselves continually engaged in an attempt to harmonize what should be a dynamic and revolutionary religion with a static and reactionary society. In times of crisis, national or international, the hierarchy of the Church finds itself inevitably arraying its followers behind the leadership of the ruling class. Indeed, a Church long established within a capitalist state and highly endowed with property under the protection of that state, becomes almost unconsciously part and parcel of the capitalist structure of the country.

In the very unequal contest between material interests and established position on the one hand, and the teachings of equalitarian brotherhood in the New Testament on the other, it is not surprising that the influence of the Church has been found uniformly on the side of property and vested interests whenever these latter have been threatened.

The example of the last war or of Spain to-day is enough to convince anyone of this fact. As John Stuart Mill once wrote: "When an evil becomes too great to defend on other grounds it is defended on religious grounds."

There are, however, a growing number of clergy who have realized this division of interests and who are to-day boldly coming out on the side of Chris-

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tianity irrespective of their own material interests or those of their Church. Yet, as a whole, the impact which the Church has upon public opinion at such a time as the present is to allay fears and quiet suspicions, by putting forward all kinds of arguments to justify the rearmament of British imperialism. As the Archbishop of York stated in New York: "It is likely that there will have to be another great conflict in which the League's power would be established. In itself it would be a horrible thing, but the first necessity of civilization is to establish international authority."

The Church often puts forward the claim that it is non-political, but it is in fact political in that most dangerous and subtle way which consists in professing impartiality while always solidly supporting the existing balance of power in society against any marked or decisive change.

No one but the out and out pacifist would object to the people being called upon to defend a religion actively fighting for equality, justice, and the sanctity of human life, a King, the symbol of a state controlled by the mass of the workers in the interests of the common people of the world, and a country where monopolies and private property had disappeared and the community owned and controlled the land and the means of production. But if we had such a country we should need no such battle-cry as "For

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God, King, and Country” to raise the peoples to its defence.

What nauseates is to hear these words, which might mean so much, used to rally the workers to the assistance of a class which is so absorbed in the maintenance of its own property, wealth, and privilege that its puppet leaders publicly abuse the bishops if they dare to point the application of Christian truths, depose the King if he endangers their power, and risk the safety of their country if they think their own interests may be preserved.

Before the last war—we no longer refer to it as the Great War for that is now assumed to be in the future—it was fairly easy to state the reaction of an armaments programme upon the owning classes and their creature the Conservative Party. It was the attitude of the Navy League. The bigger the armaments, the more powerful the British Empire, the less likely were other people to challenge their domination of the world. But to-day with the experience of 1914-18 behind us, and the pitiable exhibition of pusillanimity put up by the present Government, it is less easy to analyse their reactions.

The difficulties, doubts, and hesitations which now apparently beset our once bold imperialists are due to their inability to agree as to whether the threat of working-class power or of rival imperialisms is the greater in the world to-day.

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It is true that within the last few weeks our poor little Foreign Secretary has screwed up his courage to speak seemingly bold words to Mussolini. To parody Shakespeare's words :

"I grant you friends

If you should fright the dictators out of their wits they would have no more discretion but to hang us.

But I will aggravate my voice so that I will roar you as gently as any sucking-dove; I will roar you an 'twere any nightingale."

Lest even the roar of our sucking-dove Secretary for Foreign Affairs might have affrighted the dictators our smug Prime Minister has at the Mansion House made clear that nothing was meant. Their counsels are divided. Some dislike the idea of any combination of forces with Red Russia; such action might well reinforce working-class power in Europe. Some few others would be prepared to contemplate taking even that risk to save the Empire from the menace of German or Italian imperialism. Some wish to cling to France in spite of its Popular Front and the growth of the Socialist and Communist Parties, while others think that the time has come to turn towards their "ideological" friends, Hitler and Mussolini. Abyssinia, Spain, and China have provided difficult problems for them. Is it better to

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risk making bargains with your fellow capitalists and imperialists—those gentlemen's agreements which earn their title from the frequency of their breaches—or, on the other hand, are they to risk checking the aggression of their imperialist rivals at the possible cost of defeating them in their own countries and thereby building up more working-class powers in the world?

Earl Baldwin the wobbler—hampered by a distant and hazy humanitarian idealism—was too dangerous a leader for Conservatism in these days of ideological conflict. A capitalist must be a capitalist first, last, and all the time, there is no room to-day for dangerous sentimentalism in the ranks of the leaders. The more practical, realistic—that is the word—Mr. Chamberlain has stepped into his place, not by accident but by design. He typifies the majority of the present Government which has taken the view that on the whole it is necessary to risk the position of the British Empire and its vital routes of communication lest the maintenance of capitalism be jeopardized. Japan, Italy, and Germany must be wooed and won as allies and not resisted as aggressors. Atrocities which would have inflamed all Britain under Gladstone must be mildly rebuked or tolerated so as not to upset the dictators. Indeed, the defence of the Empire does not at the moment depend so much upon armaments as upon adroit moves in

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that dangerous game of power politics. A game of bluff is a main ingredient in which the swift moves of dictators place at a grave disadvantage the more deliberate and slow-moving countries which still cling to democratic forms.

However adroitly the players may perform, there hangs over them a certainty that however long the game may last, it is bound in the end to break out into open war. It is impossible for any statesman, be he never so prophetic, to foresee with certainty who will be on our side and who against us when the rupture comes. It is in such circumstances that rearmament has to proceed upon the basis of possible isolation, and so we are witnessing to-day the building up of a force as large as is possible to be ready to make the attempt to defend against all comers the far-flung British Empire. Indeed, so far-flung that upon this one point all agree, it is incapable of being so defended. It is not to be wondered at that with such a prospect in view rearmament to-day is not merely a matter of professional troops or even of personnel, it is a matter of organizing the entire nation with all its productive resources and all its people.

Conservatives, however weak-kneed and vacillating they appear, however often they refuse to call the dictators' bluff, however much they give in to the bully, must, nevertheless, continue with their

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organization of the Nation for war against the day when the game of power politics breaks up and the players fall upon one another in what will then be written of as the greater or the greatest war, if in the subsequent holocaust literature survives!

I have, like the Cabinet in the King's Speech, forgotten to mention one item of foreign policy—the League of Nations and collective security. I overlooked it because I was trying to deal with the realities of the reactions of Conservatism which lie behind their camouflage. It seems unprofitable even to notice the very withered bushes of electoral promises which were once used in their greenery to hide the programme of imperialist rearmament.

The League of Nations and collective security have never had any real meaning to our imperialists and capitalists, except as a device for organizing some group of Powers who might help to protect British interests when the need arose. As an idealist slogan it worked well to entrap the more sentimental and less thoughtful voter, but the ultimate necessity of some surrender of National sovereignty has placed it, for Conservatism, right outside the realm of practical politics.

Even the pretence has now been abandoned as is clear from the recent speech of the Prime Minister in the House of Commons, though it may well be used

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again, as and when electoral expediency demands. He used these words :

“The League as it is at present is not a guarantee against aggression, and pending a regeneration of the League or its development into an effective instrument it is no use going on repeating ‘the League,’ we have to find practical means of restoring peace to the world.”

It is interesting to recall the noisy repetitions of the Edgbaston Parrot on this point at the time of the last election :

“The preservation of the League is the keystone of our policy, because the first object of that policy is the establishment of settled peace, and the League alone can give us peace by the collective action of its members.”

No more need be said of the Conservative Party and its policies or pretences.

I take next the Liberal Party, in spite of its practical disappearance in the recent municipal elections. That party is met by the most serious dilemma over the whole question of peace, war, and rearmament. From the humanitarian point of view Liberals have no doubt that grave dangers lie in rearmament, and they still envisage the desirability of a freer interchange of goods as a means of diminishing economic

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friction. But in spite of these ideals they remain determined imperialists and convinced capitalists. In the result they find themselves compelled by the stern logic of events to give support, however unwilling, to a rearmament programme the objectives of which are on the one hand the support of British imperialism against imperialist rivals, and on the other hand the maintenance of British capitalism against the rising power of the working class.

Their attitude is well illustrated by a speech made by Mr. Lloyd George in 1933: "If the Powers succeeded in overthrowing Nazi-ism in Germany what would follow? Not a Conservative, Socialist, or Liberal régime but extreme Communism. Surely that could not be their objective," and so he "entreated the Government to proceed cautiously." The Liberals, therefore, continue in a hopeless task. For while admitting the necessity of all the evils that arise out of the economic systems they support, they attempt the impossible to get rid of those evils. They refuse to recognize that the economic development of the world must, so long as capitalism and imperialism last, intensify the difficulties and frictions within those systems and so render it more and more impossible for any practical politician to adopt the attitude of humanitarian liberalism.

To quote Mr. Lloyd George once again, writing in his *Memoirs*:

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"The Liberal Party brought up on the peace-loving precepts of Cobden, Bright and Gladstone hated the thought of war. . . . The heavier the guns they turned out the deeper their damnation. The men who won their admiration and trust were those leaders who proved the sincerity of their shudder by waging war nervelessly. . . . The temporary collapse of the Liberal Party was inevitable from the moment it became responsible for the initiation and conduct of a great war."

That temporary collapse has been made permanent by their attitude to the problems of Peace.

More and more the younger elements of the electorate, who might, in the past, have chosen the path of liberal reformism, are finding themselves forced to choose between an open support of the working-class parties or an unwilling toleration of the evils of a capitalism to the support of which they have pledged themselves.

As the war crisis approaches and the tempo of rearmament and of war propaganda grows, these latter will be completely absorbed within the ranks of the National Government. It was once said of Sir John Simon that "he had sat so long on the fence that the iron had entered into his soul"; we shall find those who now remain hesitant and unable to choose which course they will pursue as the iron-

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souled supporters of "their nation right or wrong," which means, being interpreted, the enthusiastic backers of the ruling class of the country into whatever war it leads them.

I turn now to the working-class political parties, and the workers themselves.

The reaction of the latter to a rearmament programme is indeed difficult to assess. To those who have long suffered unemployment the temptation of work at decent wages, and even at high wages in a limited number of the more skilled crafts, is naturally great, and this aspect of rearmament is used with some effect in capitalist war propaganda. Faithful political supporters of the Government may even at such times be rewarded by the building of a munitions factory in their constituency so as to prove to the electors that they can bring employment in exchange for votes.

With the diminution of unemployment, consequent upon rearmament, the workers in certain trades acquire more power in industry and are often thus able temporarily to improve their conditions. This they did during the last war. But 1937 is not 1914; to-day there looms over them the certainty of industrial conscription if war should actually break out; indeed, in view of the necessities of modern war preparation, such conscription may well be imposed before the actual outbreak of war. The

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prospect of the workers gaining power to improve their conditions is not therefore in reality nearly so attractive as it was twenty years ago. The new technique of warfare and of defence has altered their position. Rearmament, with the almost certain prospect of industrial conscription, does not offer anything like the same possibility of improved industrial conditions; it is, indeed, likely to lead to a relative worsening rather than to an improvement of the workers' lot.

In these circumstances organized labour on the industrial side is faced with this difficulty. If they oppose rearmament, as almost all of them would like to do on first principles, it may compel the Government to impose industrial conscription with its consequent loss of power to organized labour. If they co-operate in the carrying through of a programme of rearmament they may, as the price for their consent, be allowed within capitalist industry, a larger, though always minority, measure of influence. Are they then to try and use the rearmament necessities of a system which they abominate and which they are seeking to overthrow in order to build up their power through co-operation with their class opponents, or are they, on the other hand, to use their opposition to imperialist and capitalist rearmament as one of the weapons in their active struggle for the overthrow of capitalism even though

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in so doing they may suffer a temporary loss of power.

This difficulty is not peculiar to the trade unions, it must obviously be reflected in the workers' political party as well, based as is the Labour Party so largely upon trade union membership.

I am not suggesting that the problem presents itself in these over-simplified terms to every trades unionist or to every member of the Labour Party, much less to every worker.

Old traditions and loyalties, capitalist propaganda, a failure to appreciate the true issues, widely-held pacifist views, all these and a host of other sentiments and emotions will help to determine the individual's reaction to rearmament. I can deal only with the class reaction, and with that only most summarily.

The ultimate question which presents itself to the worker for decision—often subconsciously—is whether he will choose a national front, based upon the idea that all classes in the nation must unite against the common racial enemy whoever that may be, or a class front based upon the conviction that all the workers must unite irrespective of national boundaries to win their freedom, economic and political, from the hands of the employing and property-owning class.

The ruling class will naturally bring every pressure to bear upon the workers to induce them to choose

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the National Front. Essentially, capitalist policy is a nationalist creed and they have always taunted the Socialists with their international ideals. "People who love every country but their own" is a favourite form of misrepresentation with which most of us are only too familiar. No one would dream of accusing the capitalist of "caring for everyone else's property more than his own," it would be too ridiculous, and as he regards nation and property as synonymous he naturally relishes his gibe against the Socialist.

The truth is that the Socialist believes that the economic and political interests of the common people throughout the world far transcend *in importance* the localized vested interests in property of all kinds which are represented, as I have already pointed out, by "the Nation" in the minds of the governing class, and yet many people are afraid of being dubbed unpatriotic and so are misled into support of the idea of a National Front.

One of the confusions that assists the ruling class in their attempt to get the workers committed to the policy of a National Front arises out of the attitude of working-class parties towards imperialism in this, as in other capitalist countries. Leaders of social democratic parties have generally grown up in a form of society that has accepted the right of the western European nations to dominate and exploit

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the so-called backward races, races which in fact are often far more cultured than those whose exploitation they have to suffer. Imperialism comes thus to be regarded as the normal and unobjectionable method of world development. Because of this subconscious acceptance of imperialist sentiment the consequence of perpetuating such a system is often glossed over or not fully appreciated. A party which is so led tends to become merely a Liberal or Radical Party in its imperialist policy, accepting the ideas and principles of imperialist exploitation, but trying to humanize and moderate the harshness of its administration.

With such an outlook amongst the workers it is easy to see how their rulers can use the propaganda of maintaining the safety of the Empire as a means of obtaining support for a rearmament programme.

Another confusing factor in the international situation of to-day, that can be adroitly used by the ruling class, is the growth of Fascism throughout the world. Fascism in its various forms is the outcome of the necessities of an economic system which has reached such a pass of difficulty that it can no longer allow the people a democratic voice in the government of their country, for if democracy were allowed to survive in such circumstances it would spell the overthrow of capitalism.

Though the political methods are widely different,

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the economic aims and objectives of Fascism do not differ essentially from those of democratic capitalism. In both cases it is essential to maintain authoritarian government by a privileged minority, it is only when this minority ceases to be able to maintain its power by electoral methods of deception that it then resorts to the Fascist methods of suppression. It is precisely for this purpose that the European minorities in native countries have used similar methods of suppression to maintain their control against the wishes of hostile peoples.

In spite of these facts it will sometimes pay the ruling classes in those countries where they still seek the democratic support of the workers, to picture the international struggle as being between Fascism and democracy, just as they cried out in the years 1914-18 that the war they then were fighting was to save democracy from Prussian militarism.

The workers are truly anxious to combat Fascism. To them it marks the apotheosis of capitalist suppression and they have learnt by bitter experience in many countries how brutal that suppression can be.

It is because of the false presentation of this issue that some of the movements for a popular front to save democracy have arisen. I do not suggest that in some countries and at some moments such a combination of all democratic forces may not be of value to meet the immediate danger of a Fascist

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coup—as it was no doubt in France. But as a permanent coalition within democracy a combination of “all progressive forces” cannot accomplish the effective economic change that is essential if democracy is to survive, since there is in fact no common basis for any positive action. Negatively all may agree in opposing Fascism, but the moment it becomes necessary to go forward with a programme of action, alternative to that of reactionary capitalism or Fascism, the combined forces are at once split upon the class issue. The question arises, is such a government to accept and continue to administer capitalism and imperialism or is it to work for its overthrow?

The truth is, that, however much we may try to hide it or gloss over it or refer to it in such vague phrases as “ideological rivalries,” the class struggle is the direct and inevitable outcome of capitalism itself and is the most real and substantial factor in politics, national and international, to-day. The recent anti-Communist pact of Italy, Germany, and Japan has emphasized this fact in the international sphere. It is for this reason that I am convinced that the only true basis for any coalition of forces is the class basis. It is upon such a foundation that National and Totalitarian Governments have been built by a concentration of all the forces of the capitalist class. If war and Fascism are to be driven back in

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their destructive overwhelming of our civilization it must be by the united working-class movements of the world, in no other way can their defeat be assured.

For the workers to respond, as many of them are inclined to do, to the invitation to join in rearmament and war because it is presented as being anti-Fascist by the ruling class, is to allow themselves to be duped once again as they were duped in 1914, and on many previous occasions.

It is a strange idea that we should accept a class Government such as our own as the champions of the workers' cause against Fascism!

The National Government is no more anti-Fascist than the capitalists of any other country. Some few of them are still, I believe, opposed to Hitler and Mussolini because those dictators represent the challenge of rival imperialisms and, too, because, on the whole, they prefer the humanities of democracy, but all of them vastly prefer the authoritarian capitalist states to the working-class Government of Russia. They feel sure, and rightly sure, that in the international class struggle Mussolini and Hitler will be on their side against the red terror of rising working-class power, whether it be in Spain, China, France, or even Great Britain itself.

The recent moves made by the National Government in the direction first of tolerating and then of

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encouraging the actions of aggressive Fascist Powers prove conclusively where their true sympathies lie. Their attitude towards affairs in Spain provides the most convincing proof of their ideological sympathies with their fellow capitalists, even when the latter have adopted the Fascist methods. The bond of the old school tie is stronger than that of any political forms.

In considering this question of rearmament some of us are apt to overlook the fact that the armed forces of the Crown are not merely, as we are so often told, defence forces, but are powerful political weapons in the hand of any Government. They are, as I stated earlier, the sanction behind foreign policy. They can be and are so organized as to be class forces as well as national forces, and they can be and are used as well in the national class struggle as in the international struggles of the world. Peterloo and Tonypandy are in many ways more important incidents in our history than a multitude of the foreign engagements that have been fought and recorded in our annals.

The armed forces and the great munitions supplies which are to-day essential for their use are vital factors in the struggle for power in the world, whether that struggle takes place between classes or between nations.

The problem of power from the point of view of the working class does not turn so much upon the

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size or extent of armaments as upon the control under which they are to be used.

If the ruling class exercise that control, then it is certain that the armaments will be used to implement the domestic and international policies of that class. Indeed, it is inconceivable that they would be put to any other use.

If and when they come within the control of the workers, and the present class nature of the armed forces has been changed by democratization, then, and then only, will they be capable of use as a weapon with which to support the workers' policies at home and abroad.

The munitions will be the same, as will be the great mass of the personnel numerically, but the brass hats will be on different heads and, consequently, the whole picture will be changed, since the purpose of those who order and control will be completely different.

There is to-day no very great difference technically between the armed forces of Russia and Germany; though they may differ in size and efficiency yet as pieces of machinery they are very similar. In spite of this we look with hope to those of Russia because they are in working-class control, to those of Germany we look with fear because of the class policies which we know to actuate the German dictatorship.

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This vital difference is often slurred over in the consideration of the problem of rearmament.

Many workers fail to distinguish between the rearmament of a capitalist Government and what is, from the point of view of mechanism and of men, the apparently similar rearmament which might have to be carried out by a workers' Government. And yet in terms of political force the two are as widely and profoundly different as are the forces of Franco and of the Spanish Government. We might just as well say that so long as we send arms to Spain it does not matter whether they go to the Government or the rebels as confuse capitalist and working-class armament in our own country.

I am not opposed to working-class rearmament, if it is necessary to provide protection for the workers against their class enemies in this or any other country, but I certainly am opposed most bitterly to rearming the British National Government for the purpose of increasing their power so that they may do even more evil in the future than they have done in the past. If these simple facts were more fully realized by the workers it would, I am convinced, change the reaction of many to rearmament.

There can be no doubt that the political reactions of rearmament upon a large number of the people in this country has been to turn them into pacifists,

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though I doubt whether pacifism can accurately be called a political creed.

I do not, however, believe that there is in pacifism, as a rule, sufficient constructive economic policy to form the basis for political action in the world to-day. It is, nevertheless, a growing moral force and one that will have to be counted with in any future war situation.

The mass psychology of war will no doubt find some of those who are now pacifists swept into the military machine. Indeed, the psychological wave which can be, and is, so cleverly raised by the winds of propaganda in times of war, is apt to sweep over the whole electorate and drown its powers of reasoning; few are robust enough in their beliefs to resist the effects of such an immersion.

Only in the comparatively calm years that precede war is it possible to reason with the people on these matters. That is why the present time is so vitally important. It might now be possible to organize some form of mass resistance to a future war, but it will be quite impossible to do anything of the kind when the moment of actual danger is upon the country. A heavily bombed London will not be a practical place in which to organize Trafalgar Square demonstrations for war resistance.

I do not myself believe that any such resistance can be effectively organized upon purely idealistic

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lines, or upon the basis of mere emotion or sentiment. Some positive policy which appears to the ordinary man and woman as a practical possibility is necessary if we are to overcome the fear of war which has been instilled into the population with all its dangerous reactions. This fear originates not only in the propaganda of capitalism, but it arises, too, out of the critical situation into which we have in fact been brought by the ineptitude of its statesmen.

The "man in the street" hates war with a deadly hatred but he sees no practical alternative as a way of self-defence. Traditionally and historically it has been his experience and the experience of the world that armaments are resorted to for this purpose. True it has never brought safety, but still the strange hope lingers on, aided by our instinct for self-preservation, that somehow or other we as individuals may be saved, though the whole world tumbles in ruin at our feet. It is only the more imaginative who commit suicide because they see no purpose in living on to be killed.

What we must do if we are to avoid the fear-reaction to rearmament and war is to put before the people forcibly and with conviction some alternative form of protection against aggression. This must be built up from the basis, not of some ideal civilization of the future, but of the very horrible and tragic circumstances of the present time. In such a task it

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is useless merely to lament the folly of our statesmen in bringing us to such a terrible pass; we are there, and as they will not and cannot extricate us, we must get rid of them and then set about to help ourselves and the people of the world out of our sorry plight.

The first step to be taken, if we are ever to counter the fear of war and its impetus to rearmament and more war, is to put before the people a practical policy of safety which will cause them to react against capitalist and imperialist rearmament and the tragic certainty of war and Fascism that it brings in its train.

Opponents of war and of armaments are all too apt to concentrate upon an anti-policy while neglecting the pro-policy for peace—if they have one. The people are thus allowed to be overcome by fear complexes under the influence of which they are now madly rushing down the precipice of rearmament into the sea of war.

It is not my function to-night, nor is there the time to sketch such a policy even in the broadest outline, but I may perhaps indicate in my concluding sentences how I think the pro-peace mentality might be consolidated amongst the workers and given strength to overcome the capitalist propaganda of which I have spoken.

The foundation of peace must be working-class power. That class alone is capable of getting rid of

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the economic stresses and strains which produce war. Some change of controls nationally must precede any real change in the international situation, and that national change can only be brought about by a united and challenging working-class party.

Given a working-class Government in Great Britain, we could, in alliance with France and Russia, and in association with those democratic countries where the workers still have a voice in the control of policy, form a nucleus of stability in the world which would attract every peace-anxious country.

Such a grouping of powers knit together not only by their community of desire for peace and for defence from aggression, but also by their purpose to release for the peoples of the world the abundance which nature and the ingenuity of man has made available, would, indeed, provide a new hope for the security of mankind.

The reaction upon the workers of such a hope would, I believe, go far to remove the fear complexes of to-day and would greatly strengthen their determination to win power.

In the working class lies the hope of the future, and peculiarly in the British working class; it is our duty to develop and to encourage that will to power through which alone they will be able to fulfil their historic mission of world salvation.

Rt. Hon. Herbert Morrison, M.P., L.C.C.

SOCIALISM TO-DAY



THE EXECUTIVE of the Fabian Society has asked me to speak to-night on "Socialism To-day." In doing so one must consider Socialism as it has developed from the past and Socialism as it is likely to develop in the future. In the first place, I should like to indicate the big transformation in public opinion that has taken place during the last fifty-odd years.

We must not forget that when the Fabian Society, the Social Democratic Federation, Socialists like William Morris, and others, began their propaganda activities in this country, Great Britain was a highly individualistic nation. It is difficult for those of our generation to imagine how highly individualistic the nation was in those days. But the fact is that there were then practically no social services, no advanced municipal services, as we know them to-day; no substantial organized communal effort for the protection of the individual, for the amelioration

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of poverty, and for securing some sort of national minimum of existence below which the individual did not fall. There was no municipal housing in those days; no feeding of school children; no school medical services; no old age pensions. There was little in the way of social and industrial legislation of one kind and another such as we know to-day. The public health services were certainly in their infancy and knew nothing of the advanced development that they have now reached. The prevailing opinion, not only of the upper and middle classes, but probably of the working classes themselves, was that, on the whole, it was best for the individual to struggle for himself and that if he came to disaster it was his fault and not the fault of society; if he went down in the competitive struggle it was because on merits he ought to go down and that it was better for society that he should so go down.

It is, therefore, well to remember that during the last fifty or sixty years there has occurred, certainly not a social revolution, for whilst there is a good deal more public ownership, the ownership of land and capital remains predominantly in private hands and the system of capitalist production for profit obtains to-day in principle as it obtained in those earlier days; nevertheless, there has been a revolution in public thought, in its attitude to the social services, and to protective and industrial legislation in the

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interests of the masses. The freedom of anti-social action within capitalist society has been enormously limited, because it must be remembered that, in addition to the development of the social services that has taken place during this period, there has been much development in the regulation, the public control, of privately owned industry, both on the part of the State and on the part of local authorities. Therefore, it is true to say of the nineteenth century in its prime that while there was some degree of public regulation, on the whole the instinct of national and local authorities was that it was best, that it was, indeed, in the national public interest, that there should be private capitalist industrialization, private ownership of land, private company ownership of public utility undertakings. Over that whole field and in the field of social service, the predominant sentiment of the nation was that the less the State acted, the less local authorities acted, the more negative their attitude towards interfering with what were held to be the laws of nature and the laws of political economy, the better it would be for the well-being of the nation as a whole.

Well, that battle has been won, and to-day there is no challenge in principle on the point that the State and local government have a right, at any rate in principle—there may be a dispute as to whether it is right in particular cases or not—but there is

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almost universal agreement that the State and local authorities have a right to intervene with a view to regulating public utility services, regulating even small traders as to weights and measures, regulating owners of private property to see that their property is in a state of reasonable sanitary repair; that the State and the local authorities have a right to provide public health services, educational services, school medical services, school feeding services, and a whole host of other social services which are designed, including the modern forms of Public Assistance and Unemployment Benefit, to prevent the individual sinking below a point of civilized existence, and with a view to preventing private profit-making institutions engaging in activity which is obviously and patently anti-social in character.

Let us not under-estimate the change that has taken place in that field. Let us recognize that the community, after many years of effort, now has some sort of social conscience. Let us rejoice in the fact that in the London County Council Elections of 1934 and 1937, fundamentally it was not a political party that won but that primarily it was the social conscience of London that won. For myself, I would prefer that the social conscience of London should win than that a mere political party, even though I have a lot to do with it, should win an election on

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sheer organization and superiority of slogans and publicity methods. The great thing was that the conscience of London was aroused. That in itself was not a social revolution but it was a revolution of conscience; a revolution of social outlook upon which the constructive rational Socialist can build.

If we have to thank two people more than anybody else for the change that has occurred during that period of fifty years, not forgetting that there are other individuals deserving of a high degree of credit, we should, I think, choose those two distinguished Fabians, Sidney and Beatrice Webb.

Let us now endeavour to realize the magnitude of the field which is already covered by collectivist activity in regard to the ownership of economic things. We have already seen that there is a good deal of collectivist thought and practice, so far as collective action with a view to the protection of the individual and the promotion of social well-being are concerned, without disturbing the private ownership of land and capital. But there has been a fair amount of development—nowhere near enough—of public ownership and public management of certain services.

Consider State ownership. The Post Office is an ancient institution which, believe me, was not socialized for purposes of acceding to the demands

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and the principles of the Fabian Society! I think it was caused by the fact that kings in earlier times badly needed money, and that the Post Office was not a bad medium through which to raise money for the needs of kings. Their motives were often bad, but the end was good. They practised socialization partly for personal ends but, nevertheless, it had its uses. Consider the development of the Post Office. From carrying letters it has gone on to an amazing series of all sorts of services. If you go into any Post Office or, for that matter, into any little newsagent's shop which is, incidentally, a Post Office, and look at the notices exhibited you will observe the wide activities in which the Post Office is engaged; even, within circumspect fields and without too much publicity, in insurance and annuities. There are telephones, telegraphs, all kinds of ancillary businesses run in connection with that State undertaking. And now we can rejoice in the fact that every Conservative Postmaster-General who comes and goes sings, in the Annual Report of the Post Office, the praises of the efficiency and the ability with which the Post Office is carried on. If it were the case that in earlier days it was a favourite gibe of anti-Socialist politicians that people could never get the right number, even that has passed. There are few occasions upon which such a complaint is now heard, and even then there is often

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reason to believe that the person who complains got the wrong number because he dialled or asked for it!

In addition to the Post Office and those earlier forms of State enterprise represented by the armed forces of the Crown and, to some extent, by the Police, there have been further developments under Conservative and Liberal Governments, which, in passing legislation for socialization, all the time protested their opposition to Socialism itself. The Metropolitan Water Board was created by a Conservative Government—essentially in principle an act of socialization. The nationalization of telephones was passed by a Conservative Government, and a Liberal Government brought into being the Port of London Authority. I do not suggest that the latter is an ideal Socialist institution; indeed, I have often described it as a kind of capitalist soviet. Nevertheless, it is an institution run largely for public ends. Then there is the Central Electricity Board, interfering with the rights of private property, compelling, coercing, making all electrical generation conform to a common national plan under the control of the publicly appointed Electricity Commissioners and the publicly appointed Central Electricity Board which, in principle, collectivizes the generation as distinct from the distribution of electricity in our country.

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Perhaps the most completely socialistic institution we have yet evolved is the British Broadcasting Corporation. Do not worry unduly as to whether you agree with everything that comes over the air from the B.B.C. Of course you do not agree with it all, neither do many others. Do not worry for the moment if now and again an item of news comes through which you wish had not. It is still news. Concern yourselves with the economics of the institution rather than its performance, whilst reserving the right of balanced criticism. The important Socialist thing about the British Broadcasting Corporation is that it is an absolutely complete national monopoly, with competition ruled out; that there are no shareholders in the institution; no stockholders, not even any lenders of capital; that there is, as far as I know, not a penny of interest paid, and in so far as it ever was paid it was incidental and temporary; that the Governors of the Board are appointed by the Government, and that the Board is subjected to no private shareholding capitalist control. Finally, if you look at the broadcasting systems of the world, in so far as I have listened to them and in so far as I know about them—I do not, of course, know them all intimately—I much doubt whether there is one that is, at any rate, superior to the British Broadcasting Corporation. I am not sure there is one as good. Well, now, that has happened

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quite apart from a good deal of individual pieces of State enterprise on the part of a number of State departments as a result of which either direct labour, direct manufacture, or direct enterprise has been substituted for private enterprise, including, for example, some of the activities of H.M. Stationery Office and the Office of Works.

And now consider municipalization, bearing in mind the mere period of fifty years. Consider in that period the development of municipalization in economic spheres, quite apart from the enormous extensions of municipal effort in the way of social services of one kind and another. The Fabians were denounced in their earlier days by more revolutionary people as mere gas-and-water Socialists, but the Fabians had a great deal of influence. So did the I.L.P., and so did the Social Democratic Federation, when they were not having a row with the Fabian Society. That all added to the liveliness of things and was often to the good.

But consider what has happened. From a period when the very idea of the municipality owning anything which had a revenue account was obnoxious to the public mind and to a highly individualistic Great Britain, municipal transport has become common in nearly every great provincial city. Even in London municipal tramways were common until the establishment of the London Passenger Transport

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Board, which out of sheer modesty I forgot to mention as an example of socialization resulting from Parliamentary action. Both municipal 'buses and municipal tramways are common in the great towns of the provinces. Municipal water is also common. Municipal electricity is not only common but to such an extent is it common that two-thirds of British electricity supply is already in the hands of public authorities, mostly municipal in character. Municipal gas is also common. Finally, in the City of Birmingham, highly Conservative in its politics, a municipal bank has been established; and one of the minor troubles of the Labour Party in Birmingham is that if they wanted to draw up a programme of municipalization of public utility undertakings they would be, I think, in some difficulty to find anything of a public utility character that the Conservative Corporation of the City of Birmingham has not already municipalized.

Birmingham has gone farther than most cities but, nevertheless, there are many cities throughout the country in which the municipalization of transport, electricity, gas, and water obtains. The joke of the situation is that Conservative chairmen of committees directing these services will fight Parliamentary elections by endeavouring to prove that public ownership and Socialism are disasters to the country. But if you go to their cities and say they

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ought to hand the electricity undertaking over to a private company they will fight you to the death for the preservation of the municipal electricity undertaking! While that has a humorous side it is also a testimonial to the growth of the idea of collectivism, collective ownership and collective direction of certain types of trading undertakings.

Indeed, in the House of Commons on November 17, 1937, there was an example of the change of the Conservative frame of mind. Do not assume that I regard the Conservative frame of mind as anywhere near satisfactory—it is terrible. It is nearly always at least twenty years behind the facts of a case. But if in 1937 their state of mind might be more appropriate to 1917, there is the comforting thought that in 1917 their state of mind was more appropriate to 1897. They never come up to date—but they move. When on November 17th, Labour moved a motion in favour of unified public ownership of transport, the Conservatives moved an amendment that would have made not merely Mr. Disraeli, but even Mr. Gladstone, turn in their graves, for they contemplated a whole series of State regulation activities and even partial public ownership. That was contemplated in the official amendment moved by the Conservative Party. So cheer up. While there is nothing to be absolutely satisfied about, there is this to be said: that even if our opponents are always

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behind the time they are not quite where they were ten or twenty years ago. Slowly they move—but they move.

Thirdly, there is co-operative enterprise which must never be under-estimated in the field of economic collectivization. The Co-operative Movement does not work for profit; it is a movement that produces and distributes for the utility of the members; it seeks to provide goods and services at cost, and if in the process it is necessary to charge market prices and thereby more than the actual cost, the surplus goes back to the members in relation to their purchase in the form of a so-called dividend.

I suggest that if you compare Britain to-day with Britain fifty years ago you will come to the conclusion that in public collective action in the way of social service and regulation, we have made an enormous move forward, and that even within the more limited field of collectivist ownership of economic undertakings and collectivist direction, progress has been made. So we have seen a vast increase of corporate action of one sort and another, partly in regulation, partly in the promotion of social services, and partly in the actual public, or some sort of collective, ownership and direction of economic undertakings themselves. To that extent the habit of the community in thinking and acting collectively has developed and improved. If you

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want to know what that means and to appreciate the importance of it at its full value, spend some weeks in the United States of America as I have done and see how far back they are compared with this country. Although they are developing, nevertheless it is the fact that, on the whole, the history of the United States so far has been the history of the welfare of the country being deliberately, because they believe in it, subordinated to the profit-making activities of the individual. We can be grateful for the fact that the British nation has evolved something in the nature of a social conscience, something in the nature of a sense of collective action.

Now we come to the second phase in the business, namely, that all of this development has left intact the essential operations of the capitalist system, and over by far the greater part of economic activity, the private ownership of land and industrial capital. And we must not forget the fact that corporate action, collective action, public regulation, public control, development of social services, good in themselves, leave, nevertheless, the essentials of the capitalist economic basis of society untouched. It is the task of Socialism to touch that economic basis of society, to alter it, to revolutionize it by substituting public collective ownership not merely for economic undertakings here and there, but extending the principle of public ownership to land and

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economic undertakings, to such a point that the nation is in all essentials the master, the director, of the means whereby the nation lives.

That is the second stage in the Socialist development, and it is really the stage that matters. For myself, I think that we are rapidly coming to the point when any Labour Government—provided it has got a real majority, provided it has got behind it an electorate, I will not say that is entirely Socialist, because that is hoping too much, but which is sufficiently Socialist to understand what we are getting at—that Labour Government in the future ought to be tested by a new principle. I do not know whether the Party or the industrial movement will so test it, but for myself I would like to see it tested on this point: How much private capitalist property organized and conducted for profit has been transferred to the ownership of the community to be organized and directed for public service and for public ends? Because I believe this: that there is now a limit to how much more social reform, how much more social expenditure for the amelioration of the lot of the working classes can be incurred within the limitations of the system of the private ownership of land and capital. For this is the dilemma with which future Labour Governments are going to be faced: that if you develop your national budget, the social services, expenditure upon easing the lot

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of the poor; if you develop that budget and that expenditure beyond a point so that you begin to upset the stability of the social order, and the capitalist financial system, you will have to face a mess. It may be that you can argue that that is a thing you should do courageously, boldly, and knowing that you are going to get into a mess, and then go for the major operation, a sheer social revolution in the sense of an upset, of turmoil, of trouble, even of the use of violence and force; it is a point of view I can understand, but it is a point of view that I believe is fraught with grave risk and might land you not in the Social Democracy we want, but possibly in the Fascism that we do not want.

It seems to me that if it is to be successfully established, Socialism must be established in a constructive and orderly fashion. I say that not to please the landowners and capitalists, but because I believe in it, because I believe that if you pursue a policy that creates muddle, confusion, and chaos you will run the gravest risk of finishing up not under Socialism but under the very reverse of it. Socialism in this country must be, in my judgment, ordered. I do not presume to judge as to other countries; certainly not Russia. It may well be that the Russian type of development was right for that country. There are many who think it is not; there are many who think it is. I do not argue it; it may be so. But I say that

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for Great Britain with its traditions, as a whole, of order, of development, of constructive effort, that the Socialist who walks into muddle and confusion is more likely to play the game of Fascism than he is to play the game of Socialism.

Therefore, I suggest that the stability of the budget, the stability of State finance, and, if possible, the stability of economic life is something worth thinking about and worth preserving, to put it no higher than on sheer grounds of political expediency from the Socialist point of view. Personally I do not regard it as possible to patch up the capitalist system, to increase the social services to such an extent as to make life good, secure, and prosperous within the capitalist order. Otherwise we should be assuming that the capitalist system can give us all the economic and social advantages of a Socialist Commonwealth. I think you will just get into a muck if you run on that line, that you will get into a financial crisis, that you will get into financial and economic confusion. In any case, you will have to have a General Election sooner or later, even if not at that point. We still live under five-year Parliaments, notwithstanding the predictions and wishes of some to the contrary. You will have to have your General Election. If you are in a muddle, if I know the British people—and I try to—then I believe that they will vote Conservative and go back to what

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Mr. Bonar Law called tranquillity and what Mr. Chamberlain will call stability! You will be out for five years; maybe for ten. And then probably you will be permitted to start the process over again a little more gently. I do not know what you think of that. It does not appeal to me.

It can be said with regard to Russia that though they have had their interruptions, partly brought about by their method of doing things, the Bolsheviks have been on top continuously ever since the Revolution of 1917. But under Parliamentary democracy you are liable to get five-year and ten-year interruptions. I speak feelingly. I have had my own Parliamentary interruptions. I have been in and out and in and out, and now I am in again. But life is going on and I am moving to the grave, and I wish I could have had a continuous amount of activity in socializing industry after industry and helping to get my country under the economic control of the nation itself and balancing all economic things for the good of the nation.

I do not want Socialists to appear to drive the country into an economic muck. I do not want us to assume that under capitalism there is an inexhaustible well of money to draw upon. We must avoid muddle. Socialism in our country, whatever may be true of other countries, is going to be a battle not of chaos against the existing type of

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civilization, but it is really going to be, if it is to win, a battle of order against disorder, a battle of system against lack of system, a battle of planned action and national economic supremacy and direction over economic things rather than the nation being the victim of more or less accidental economic development.

Therefore, take my advice. When you are judging future Labour Governments, judge them not so much on how many shillings they have added to the immediate income of this or that section of the population, not so much on this, that or the other social reform they have passed—although those things must be attended to. The ultimate test is how far has that Government transformed a nation that is dependent upon people who own its economic resources into a nation that is the master and the collective owner of the natural and the material sources of its wealth. That should be the test of a future Labour Government. So if I am driven as a Socialist—not as a politician—to choose between Socialism on the one hand, and social reform and patching up capitalism on the other, for myself, if electorally free, I would prefer socialization as the test of real permanent progress rather than mere temporary reforms of a social reform character that may come for the moment and then be scattered in the midst of havoc. The test is always how far the nation is becoming the

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master of its own economic household. I am making no wholesale condemnation of social reform as such : I am pleading for a proper relativity.

That is the second stage. We have got through the national minimum stage, broadly speaking, through the social reform stage. Things are imperfect, but still we have some sort of national minimum of existence for the masses of the people. The second stage, the more revolutionary and important stage, is assumption of the nation's economic mastery over its means of life and the transforming of economic lodgers into the economic masters of Great Britain.

So please remember that the Socialist who thinks that he can have all the economic, industrial, and social advantages of Socialism out of a capitalist society is foolish, thoughtless, and, above all, is committing the mistake of paying a great compliment to the capitalist system. If the capitalist system could give us all these advantages, why bother about altering the system? It is precisely because the capitalist system cannot give these advantages that we must go on to the Socialist system. Therefore, recognize the limitations of social reform. Do not think I am decrying social reform of itself. Do not think I am saying you should achieve no social reform. I only ask you to recognize that there are limitations, and to recognize that, beyond a point, reform can become an impediment rather than be

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conducive to the establishment of Socialism. For my own part, I want us to exist for the establishment of Socialism, because Socialism is so important, not only to give our people that economic security that they cannot get under the capitalist system, but it is important also as the really basic thing that is going to bring about the peace of the world, the economic co-operation of nations, and a finer human type.

Now there are four variations of socialization, but do not worry about them too much. There is State department nationalization, like the Post Office, in which a minister directs, technicians serve under him, and civil servants advise. On the whole, in the Post Office that has been efficient, and has worked well. It is doubtful, however, whether it is sufficiently adaptable, flexible, and speedy to meet the needs of a more commercial industry such as iron and steel, or electricity, or transport, or cotton, or coal.

The second form of socialization is municipalization, but that becomes increasingly difficult owing to the inevitably limited areas of local authorities and the fact that owing to technical developments in management and economic considerations, economic undertakings become bigger and bigger in their geographical areas, and many of them, such as electricity, have become more appropriate for national direction and control than for local direction and control within the limitations of municipal

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areas. But, still, municipal enterprises have proved their worth. They have done a good job. But we must be ready to abandon them if it is necessary for the State to come in in order that the areas may be more adequate and the technical direction be more modern and efficient.

Thirdly, there is the public corporation, an elastic body. It may vary in its composition and its type according to the needs of the industry. The public corporation is a body corporate, a public authority created by statute; the members of its governing body are appointed by Government on the responsibility of Government. I think they should all be appointed on the ground of their ability for the task to be discharged. They should not—this is my personal opinion—be appointed to represent particular groups or interests in the community, except in cases where it is appropriate for special reasons that that should be done. The public corporation in all probability will be the principal type of management for socialized industry because it does enable us to combine public ownership, public direction for public ends, with adaptable commercial business management which gives the advantages of the best type of modern commercial management without the disadvantages of its selfish objectives and its selfish ends. The public corporation will become, I think, the appropriate type of organization, not for

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all forms of socialization, but for a considerable number. And it must be remembered that in Soviet Russia (which I do not slavishly follow but which also I do not slavishly condemn, because they have much to teach us in this field of operations) there is a good deal of the public corporation type of industrial direction, which they call the public trust or something like that, but which is not too dissimilar in principle from the public corporation that we have evolved in the form of the British Broadcasting Corporation, the Central Electricity Board, and the London Passenger Transport Board.

Fourthly, there is the consumers' voluntary Co-operative Movement. It must be remembered that that also has its contribution to make.

I mention these four forms of public or collective ownership, not with a view to boosting one or the other of them, but with a view to indicating that we should be elastic, we must be adaptable in our forms of socialization, and we should provide for the industry or service concerned what is most appropriate for the purpose of arriving at the best public end, which should always be the predominant consideration in socialization. And this also should be faced: that the public will not accept the doctrine—and they are right in not accepting it—that public ownership and socialization can be justified purely as an abstract theory. If the Socialist is to be con-

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vincing he has to prove his case on each particular industry or service, at any rate until there is a substantially collectivist community. The British are not likely to vote for nationalization of everything forthwith in the abstract, although this must not deter us from general Socialist propaganda. I wish, of course, they would give us a complete 100 per cent mandate and then let us apply it in so far as expedient within each industry and service. That would be lovely. Almost all the advantages of dictatorship with all the advantages of democracy. But this country is not going to do that. Socialists will have to prove their case as they go along. Therefore, Socialists must not only argue abstract doctrine, but think out why the public ownership of British transport will be better than private; why it will be so in cotton, iron, steel, electricity, and mines. It is not all to the bad that Socialists should be compelled to do that by this questioning and not too speedy British electorate.

Socialists have to prove that socialization is likely to be successful. We must not forget in that field that the electorate is not going to enter into our hopefulneses and our enthusiasms and our belief that just because we are Socialists Socialism must succeed. The electorate want to know. Socialists must think about problems of management, problems of direction, with a view to being reasonably sure

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that they are going to be successful. The Socialist who is sloppy, who substitutes what he wants to believe for what he knows to be true by self-cross-examination, by thought, by consideration, may be a very dangerous person to Socialism. No socialized service, if we can possibly help it, must fail, for if it does it will be a bad advertisement and set Socialism back in public opinion and in electoral prospects. The Socialist who socializes an industry and does it in such a way that it is a failure, a muddle, so that the electorate says: "Well, there you are; that's your Socialism; no more of it"—the Socialist minister who allows that to happen ought to be dealt with for treachery to the nation and to the Party. He must be careful to ensure that his work is good. The Socialist minister of the future has got to be a business man with a business head, moving in a business world, dealing with clever capitalists—they are not all clever, I know; some of them are not but some are, and they employ enough clever people to cause you to be alert when dealing with them. Do not assume when you engage in negotiations with capitalist undertakings that you are necessarily dealing with fools. The Socialist minister has to be quick in deciding which is a fool and which is not; and, as a whole, he will have more trouble with the fools than with those who are not. But he has to be a business man as well as a politician. He has to have a business

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head. He has to be able to size up economic, financial, commercial, and industrial problems.

While we can have a certain number, we cannot have too many Socialist ministers who cannot rise to that standard of economic capacity, business judgment, and business ability, unless we are to slow things down. Because do remember that this process of transforming capitalist industry into socialized industry; this business of transforming an individualist economic world into a collectivist economic world, quite apart from the magnitude of its social consequences, is the biggest business and economic operation in the history of mankind. Far and away the biggest. We shall need all the business ability and all the economic brains we can get hold of. When you come actually to run industries you had better, on the whole, go out into the world and buy first-class brains to do a public job. And do not cross-examine those whose services you are buying too much as to their private political opinions. Socialist ministers will have plenty to do going on with the legal instruments of socialization. That is the advantage of the public corporation: that once the Government have got the legislative instrument through for socialization, others can do the day to day management. It may be a legislative instrument for one industry or one enabling you to socialize a series of related industries; certainly, as we go on,

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legislative instruments must become a little more sweeping, a little more speedy, and a little more comprehensive, so that things should be speeded up. We cannot always deal with one industry at a time. I do not contemplate that we are going to spend one session of Parliament socializing one particular industry for ever. We must move more quickly than that, always socializing consistently with the principle that Parliament must control general policy and national finance.

When you have ordered socialization, you have still to find the men who will direct and manage industry; and the quicker you can find them to get on with that job, the quicker you can get on to the next piece of socialization. That is the politician's business. The business of industrial direction and management is the business of commercial and technical brains. We must go out into the country and buy them up—socialize brains as well as socialize railway lines and stations. And as long as they are efficient brains and will work for public ends in a public spirit, well, as far as I am concerned, I believe in the right of the individual to think what he likes about politics as long as he does the job for which a Socialist Government pays him. Therefore, we must buy in the market those efficient brains that we want for public service, in much the same way as limited liability companies buy brains

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to do their work. And let us try to spread among all these technicians, good works managers, industrial directors, not a feeling that we are their enemies but that really we are the best friends they can have, because we want to enable them to do the tidy public economic and industrial job that they themselves are thirsting to do but which the capitalist system will never let them do.

Well, compensation or confiscation? It seems to me that in this country if you confiscate, it is the longest way round. It will cost you a vast amount of money. You may have to pass through a violent revolution over it. Before you have gone very far you will want to borrow money on the market from somewhere or another. If you have confiscated, the rate of interest you will have to pay on the new money you borrow will be about double or more what it would be otherwise. I reject confiscation not so much on moral grounds—although justice should be done—but because it is not expedient and it does not pay! That is all there is to be said about it.

Socialists must get out of the habit directly an institution is socialized of universally descending upon it and attacking it. There have been attacks by Socialists on the London Passenger Transport Board. You will say: "He has feelings about that; it's a child of his own." Socialists enjoy attacking the London Passenger Transport Board, but they do

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not so much attack the London Midland and Scottish Railway or the Southern Railway which are private companies. Why is that? If the socialized show is really bad, certainly criticize and try to get it put right, but if it is—to put it mildly—no worse than private undertakings, why decry your own? The London Passenger Transport Board has put wages up; it has instituted improved labour conditions costing over £1,000,000 a year; it has provided tubes that the old company said could not be. It is giving electrification of the suburban line of the old Great Eastern Railway that Sir Ralph Wedgwood said could not be. The Board is not perfect. Nothing in this capitalist world can be. But it is hopeful; it is developing. Give it a chance. Look at the B.B.C. People attack it, go for it and accuse it of all sorts of things. Not that I do not want to go for the B.B.C. The Chairman will agree that criticism is good for it. But why do Socialists more enjoy attacking the B.B.C. because it is a public corporation than if it were a private company? There is a chance to laud the undertaking as a fine example of the application of Socialist economics and Socialist sense. So I say to the Socialist: do your critical duty—so will I—against public institutions, but do not go out of your way to sabotage your own children and strangle them soon after birth.

Finally, how is this supreme economic Socialist

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Commonwealth, in the end, to be organized? Against all these processes of individual socialization, the critic will say: "Well, when you have done it there will still be poverty, still insecurity, there still will be a lot of capitalist principles in the operation of the collectivist institutions." I know there will. But just as you cannot get to the top of the ladder without either going up every step or going up three at a time—I do not mind which you do as long as you get safely to the top as soon as possible—so you cannot have a Socialist community and a Socialist Commonwealth unless you have socialized a whole series of individual industries and individual services. Please, therefore, be patient meantime.

You will have got nearer to the Socialist Commonwealth as a result of socializing five, six, or ten industries, and you can only get a Socialist Commonwealth by the socialization of specific services and industries; and the quicker you do it, the sooner you will get to the effective economic liberation of the nation and its control over its economic resources, which is the point, and the only point, at which we begin to arrive at the Socialist Commonwealth. When we get to that point we must have some supreme economic organ of the State. I am speculating; I do not know quite what it will be. I still like the name of the dear old Board of Trade for the department of the supreme economic direction of

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trade. I would like to clear out of that Board of Trade every specific piece of economic regulation. It ought not to fool about with the regulation of ships. Give that to the Minister of Transport. It ought not to fool about with the regulation of limited liability companies. Give that to the National Investment Board or the Bank of England or whoever else you like. The Board of Trade ought to be a national economic planning department; really the Board of Economic Life. I would like to see there a first-class President of the Board of Trade with a good business Socialist head. I would have him assisted by a General Economic Advisory Council representative of the public corporations, of the General Council of the Trades Union Congress, of the Co-operative Movement, and individual people of first-class capacity in business training, economic thought, and planning. I would like to see the Board of Trade and the Advisory Council planning the national industrial budget of the nation, planning its income, planning its setting aside for future capital expenditure, planning its expenditure on maintenance account, wages, social improvements, and so on. The Board should really be mastering, really planning the economic and industrial resources of the country. And then we shall have the Minister advising the Cabinet, the Cabinet advising Parliament and Parliament having its industrial budget

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debates—just as important and even more so than its present financial budget debates.

I want to see a greater Britain, a lovely Britain, a secure Britain in which the Government, Parliament, the people, are the masters, the directors of their economic resources; in which, when an invention comes which enables us to produce twice as much wealth for the same amount of labour, or the same amount of wealth with half the amount of labour, we will consciously, after thought, and after debate, decide whether we will work half the number of hours, or whether we will go on working the same number of hours and double our income; or, greater and finer still, whether we will work just as hard, double the income and deliberately refuse to take it ourselves, but use it for the clearing away of ugly towns, the rebuilding of our cities, clearing away every antique school—and when I say “antique” it probably means a school thirty or fifty years old—rebuilding theatres, buying national parks, deliberately denying ourselves an immediate gain in our standard of life in order that our country may become more glorious, and that posterity may gain from our own sacrifice for the time being.

That is the conception of Socialism that I want to get into the minds of our people. It is not the Socialism that we can apply to-day—but if we make the people understand, if we can fill them with the

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glory, the fervour, the efficiency, the vastness of this great thing—though it may not be the Socialism we can bring about to-day it can—if the people understand—be the Socialism of the not distant future.

Harold J. Laski

THE OUTLOOK FOR CIVIL LIBERTIES



I

TOLERANCE IN any society very largely depends upon the degree of security felt by those who govern it. They are willing to discuss when they have the sense that the basis of institutions is not in dispute. Fear has always been the enemy of reason; and men who feel that expectations they deem legitimate are in danger have always been more ready to repress than to argue.

Ours is one of those ages in which the basis of institutions has been called into jeopardy. War and revolution haunt its margins. Practically all traditional values have been called into question. In morals, in politics, in religion, in matters of social and economic constitution, there is not only a direct and decisive assault upon principles long unchallenged; there is even an uneasy sense among

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their exponents that they are not entitled to the self-confidence of the last generation. They believed in empire; and the subject-peoples increasingly deny the validity of their title to possession. They believed in capitalist democracy; and they find that in an era of capitalist contraction, the contradiction between our economic forms and our political institutions is a continuous and profound threat to the security of privilege. Marriage, the family, the power of religion to maintain men's loyalty to established ways of life, all of these are being examined in a way more fundamental than perhaps at any time since that period from 1500 to the peace of Westphalia when the foundations of capitalist civilization were effectively laid. What we are witnessing is the erosion of those foundations. Men are coming to see that there is no need to confound the institutions to which we have grown accustomed with the necessary forms of social organization. On any showing, it is clear that a profound reconstruction of those forms is now inevitable. But there is agreement neither upon the ends to which that reconstruction should be devoted nor upon the methods by which it should be achieved.

Social divisions as profound as those we now encounter inevitably mean a battle for the possession of the state-power. For it is by that possession that men are able to define the ways of living in the

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society it controls. The law, in any society, is, in the last resort, nothing so much as the body of principles which determine how the social product is to be divided among the claimants to a share in the national dividend. To have the power to define the substance of the law is, in effect, to have the power to settle the relations of men, the ambit of their opportunities, the rights and privileges they shall enjoy. But it is essential to understand that there is, in any given system of law, an immanent logic which is determined by the property-relations of the society it sustains. It is one system, with one end, in a slave-owning society; it is another system, with another end, under feudalism; it is another system again, with, once more, another end, in a society built upon capitalist principles; and even the brief experience of Socialist reconstruction in the Soviet Union makes it clear that there, also, legal principles will be different in character from the shape they assume under alternative systems.

Historically, in any society, men have rarely found it easy to move from one way of life to another without conflict. We cling to our habituations. We find it difficult to agree that the interests we represent must give way before the claims of different interests. We fear novelty; we associate with our wonted ways ideas, even ideals, of right behaviour, challenge to which cuts at the root of our adaptation

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to our environment. We want liberty; but we do not want the achievement of liberty to threaten a way of life in which we eagerly believe. We even, in abstraction, believe in equality; but our conception of equality is always subject to the limitation that it must not disturb those differences in response to claim to which we have become habituated. Almost all Englishmen believe, at least abstractly, in democracy; but there is evidence and to spare that Englishmen who enjoy, under our institutions, a privileged position, are at best dubious, and, at worst, actively hostile, to those implications of democracy which threaten that privileged position.

It is, of course, true that the post-war years have not seen in this country anything like the stress and strain to which continental peoples have been subjected. So far, at least, no revolutionary movement in Great Britain, whether from the Left or from the Right, has attained serious proportions. The contrast between our situation and that of less fortunate peoples is a striking one. But we should, I suggest, be gravely mistaken if we attributed this to any special genius for government inherent in the British race. The attempt to explain differences in national behaviour by differences in national character is always a dubious adventure in mysticism for which little is to be said. The causes which have led to the overthrow of representative institutions are at work,

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if in a retarded way, amongst ourselves. There is no reason to suppose that they will not have the same effects if they gather anything like the intensity and momentum that they have acquired elsewhere. If there is any obvious lesson in the continental experience of these last two decades it is surely the lesson that representative government is, at best, a delicate and difficult adventure. To maintain it presupposes a people that is at unity upon all matters of fundamental importance. That is the essential condition of tolerance. Once that unity disappears, men begin to be afraid; and, as I have said, fear and tolerance are antithetic terms. There is nothing easier than for a governing class to persuade itself that representative institutions threaten the foundations of its privileges. Once it does so, it rarely finds difficulty in using the power of the State to repress the bodies or the principles in which it finds the sources of that threat. Repression of this kind grows by what it feeds on. It produces an exacerbation of temper both in those who repress and in those who are the subjects of repression. It beclouds the mental climate which gives tolerance and, with it, reason, its hold over men's minds. Panic grows on the one side; anger grows on the other. Every change recommended begins to seem a threat; every reform urged is regarded as the beginning of the end. When that temper begins to grow in a governing class, there is

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good reason for those to whom the traditions of liberty are important to be on their guard.

I believe that there is serious ground for the view that we have reached such a position in Great Britain to-day. The economic situation is unhealthy; the international position is grave. The rise of the Labour Party has made a Socialist solution of our difficulties the only rational alternative to the policy of the National Government. The validity of that solution is passionately rejected by the governing class. To them, not unnaturally, it is an unthinkable challenge to a way of life which they identify with the welfare of the nation as a whole. They see principles of action which, a generation ago, seemed of no practical importance come within sight of acceptance by the majority of the nation. Since the unimpeded working of democratic institutions may well, in the next few years, give those principles the opportunity of effective realization, they are, again not unnaturally, disturbed at their progress. They have always been prepared to make minor concessions to the less fortunate members of society. They have not been prepared for a change in the basis of the society itself. Yet it is with the prospect of this change that they find themselves confronted. That change is inherent in the logic of a democratic society; it also reveals in unmistakable fashion the contradiction between that logic and the logic of the

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capitalist institutions which are its economic foundation. It is not, I suggest, surprising that the capitalist class, confronted by a choice between the consequences of these two logics, should prefer the logic of capitalism to the logic of democracy. The one safeguards the expectations to which they have become accustomed. It protects the privileges, the special opportunities, the favoured situations which have been theirs. They see these in jeopardy. More, they see them in jeopardy in the context of that profound Russian experience which, like that of the French Revolution a century and a quarter ago, sets the perspective of all our thinking. It is intelligible that, possessed of the state-power, they should seek to use their authority to protect themselves from prospects which, in that perspective, they regard as disastrous. The outlook for civil liberty is largely set by the impact of these momentous years upon the minds of men who see, for the first time since the Chartist movement, a decisive challenge to the ultimate sources of their power.

II

There are three aspects from which the problem of civil liberty needs to be examined. There is the aspect of statute; there is the aspect of administra-

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tion, especially in the courts of law; and there is that vaguer aspect of the general climate of public opinion the analysis of which is, in a representative democracy, as important as it is difficult to analyse. I want to discuss each of these aspects separately, simply for convenience' sake. It should be emphasized that they cannot logically be separated, since each makes its own impact upon the others.

There are three statutes of primary importance, upon each of which something must be said. The Trade Union Law Amendment Act of 1927 would be important if only because it is the first statute hostile to trade unionism passed by Parliament since the Combination Acts of 1799-1800. It prohibits a general strike. It makes any sympathetic strike—one of the essential weapons in the trade-union armoury—at the best a difficult adventure. It surrounds the process of picketing with dangers which, in the hands of an unsympathetic court, would practically nullify its effect. Its substitution of contracting-in for contracting-out—a return to the Conservative proposal of 1913—has struck, and was intended to strike, a heavy blow at the political activity of the trade unions. It prohibits local authorities from dismissing men who are not trade unionists; this is a significant barrier in the way of effective organization. It separates civil servants from their right to membership of the Trades Union

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Congress. This has the dual effect (a) of preventing trade union support for civil service wage-claims from being significant, and (b) of erecting barriers against the penetration of civil servants in the lower grades by labour ideas. Finally, the Act puts the funds of the trade unions at the disposal of their enemies, wherever, under its appropriate sections, the Attorney-General is able to secure an injunction against them.

No one, I think, can scrutinize this Act without a clear sense of its Fascist implications. Under the pretence of protecting the community, its purpose is to make as difficult as possible any full expression of trade union solidarity. It puts the power of the State at the disposal of the blackleg. It invokes that power, also, against any strike the purpose of which a judge is prepared to regard as more than industrial in the narrowest sense. It is, above all, a weapon to be invoked against the trade unions in times of crisis. The very width of its clauses is not the least of its dangers; no trade union can feel safe from its inhibitions until a long tradition of case-law has been accumulated, and such a tradition may well be hostile to trade union action in any but the narrowest sense. It is bad legislation, partly because the circumstances of its origin show clearly that it was born of a spirit of revenge, and partly because its very invocation is bound to exacerbate the atmo-

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sphere it is intended to mitigate. Something of its possibilities may be gleaned from the fact that, under it, a trade unionist in Lancashire has been sent to gaol for raising his hat to a blackleg. That act of courtesy was held by the magistrate to be an obvious piece of intimidation.

The second statute with which we are concerned is the Incitement to Disaffection Act of 1934. This is an Act of which it is difficult to speak in terms of moderation. No evidence was produced at the time of its introduction to explain why it was necessary; and any reasonable objective it can have been intended to serve was already covered by previous legislation. It is not easy to see what its authors had in view except an attempt to prevent any pacifist or Socialist propaganda from reaching the armed forces of the Crown. Even though it was drastically amended in committee, its ambit remains so wide and so uncertain that it is probably an offence under it for Lord Cecil to take a ticket to Aldershot to address a public meeting there upon the unwisdom of the Government's foreign policy; for it is at least possible that the soldier's mind may be affected by listening to what Lord Cecil would have to say. I do not suppose that the Act will normally be used against eminent persons; but it is obvious that at any critical moment when peace and war hang in the balance, it is a weapon of immense

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power in the hands of any Government which might dislike any profound attack upon the policy to which it was committed.

The third statute is the Uniforms Act of 1936—an Act which was, unfortunately, strongly supported by the Labour Party in the House of Commons. It was, I think, entirely justifiable, in the light of Continental experience, to prohibit the wearing of uniforms by a political party. German experience, most notably, had shown that these both were, and were intended to be, an incitement to public disorder. But the Act did not stop there. In effect, it has handed over the control of certain important forms of political propaganda, notably of processions, to the Home Secretary in London and, subject to the local Watch Committees, to the Chief Constables in the provinces. These have now the power to ban political processions—an historic form of agitation in Great Britain—for periods which depend solely upon their own discretion. The result in London has been that, for almost a year, a large amount of Left propaganda has been prohibited not because it has led to any disorder, but because the authorities have used the very real objections to the provocative activities of the extreme Right as an excuse for attacking the Left, or that section of it they happen to dislike. These opportunities afforded to the Government, both central and local, to destroy

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freedom of protest against their policy are of great significance. They mean that, under cover of preserving an order which they declare to be threatened, a reactionary government may easily deprive its critics of all effective opportunity of demonstrating against its policies. They mean, in a word, that the Government can, in London above all, organize inertia by making even the most peaceful dissent from its programme a breach of the law; and it can then claim from the supposed inertia that there is, in fact, no serious opposition to its policy.

I do not think anyone who knows the wide ambit of the existing police powers in relation to public meetings and processions could seriously argue that any new conference of authority, beyond the power to prohibit what was in effect a private army, was necessary. That the opportunity was taken to secure so wide a discretion, under such inadequate safeguards against abuse, is a grave threat to public liberty. Chief Constables are not notable for an enthusiasm for tolerance; and certainly both Sir John Simon and Sir Samuel Hoare have shown that the prospect of a fair use of their powers in this realm is small. It is difficult not to conclude that we are entering upon an epoch when the conduct of public controversy will be limited by the discretion of the police; and the evidence is abundant that we are not entitled to place much confidence in that

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discretion. Anyone who bears in mind the impact of the hunger-marches of the last few years on public opinion, and realizes that, as the law now stands, they are pretty completely subject to police control, will see that the Government has now in its hands a weapon capable of being used to prevent inconvenient dissent from being brought to the attention of public opinion.

III

All formal law is clothed with its effectiveness by the spirit which informs its administration. It would take a considerable volume to recount in detail the accumulation of cases which has tended, in the post-war years generally, and since 1931 in particular, to suggest a serious deterioration in respect for public liberty. There is the growth of anti-Semitism in the East End of London. It is, as is well known, a growth that has been deliberately fostered by Sir Oswald Mosley and his Party. It has resulted in a real terrorism in parts of London, before which the police have been curiously helpless; and when arrests have been made in connection with its brutalities, not a few of the London magistrates have been equally curiously lenient with the offenders. Of one such person who was bound over, Mr. Herbert

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Morrison said in the House of Commons that "he was bound to say from his experience that if a man with that record had come before a good many London Police Court magistrates, and had happened to be a Communist, he would not have been bound over, but would probably have been given 'time.' " There have been assaults, intimidations, picketing of shops, threats of murder and arson—the whole gamut of habits, in short, that we associate with the Hitlerite movement. Those who organize these proceedings are well-known; yet the inability of the police to deal with them gravely resembles the inability of the German police before 1933 to deal with Nazi anti-Semitism.

A study of the East End situation is bound to arouse suspicion of the impartiality of the police in any fair-minded observer. That suspicion is reinforced by other events of the period. When Fascist meetings are conducted with the notorious brutality of Olympia in 1934, the police declare that they have no right of entry into a private meeting; but when, as in Glamorgan, they insist on being present at a meeting to protest against the Incitement to Disaffection Act, the Divisional Court held that the police have the right to enter any private premises if they have reasonable ground for apprehending a breach of the peace or other offence (*Thomas v. Sawkins*). Despite this decision, the police refused

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to intervene in an Albert Hall meeting of Sir Oswald Mosley where the brutalities of the Olympia meeting were repeated. The Manchester police have, it is alleged, allowed the files of its "Special Branch" to be searched by the official of an organization which has, as one of its objects, attacks upon the Communist Party. The well-known Urquhart case, in which the Metropolitan Commissioner of Police consented to pay damages and publish an apology rather than go into court, shows the length to which officers will go in interfering with the sale of Left-wing literature; and the Wooster case is evidence that pacifists are not free from their attentions. Even more serious, in my opinion, are those South Wales cases in which the police express to a High Court judge their view of defendants' characters, not in terms of actual behaviour, but upon the basis of the judgment they form of the opinions the accused happen to hold. "He is a man of extreme opinions" is not, I submit, a phrase that ought to be heard from the lips of any police officer. From the angle of Lord Lloyd of Dolobran, it is, no doubt, an accurate description of Mr. Harry Pollitt; but it is important to remember, also, that, from the angle of Mr. Harry Pollitt, it is an accurate description of the opinions of Lord Lloyd of Dolobran.

Nor can one be happy about the habits of the Courts of Law. In those of inferior jurisdiction, where,

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mostly, the great unpaid preside, political prejudice against the Left is, I fear, all too common a feature. Garbled or inadequate reports of what speakers are supposed to have said, sometimes taken down by police witnesses who prove, under cross-examination, to have either defective knowledge, or no knowledge at all, of shorthand, ought surely not to be followed by a conviction. In the High Court, things have been better. But, even here, it is difficult not to feel, when one compares the famous judgment of Camden in *Entick v. Carrington*—a landmark of public liberty—with that of Mr. Justice Horridge in *Pasmore v. Edwards*, that there has been a loss of that strict construction of executive power which is the secret of freedom; and I submit that in Dr. Wooster's prosecution, in 1935, of the Chief Constable of Cambridgeshire in the County Court, the judge's questions to the plaintiff's witnesses were much more in the worst tradition of the Espionage Act cases during the war in America than in that which we expect from English justice. Nor must we forget the savage sentences imposed in the cases arising out of the Haworth dispute, which, not unfairly, are regarded as the worst of their kind since those of the Tolpuddle martyrs a century ago.

To this must necessarily be linked the habits of the executive in Whitehall. There is the habit of refusing any enquiry into the methods of the police even

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when there is grave reason to suppose that the Home Secretary has been seriously misled by the information provided for him by the Commissioner. A serious example of this is the charge of the crowd at Thurloe Square in 1936 when a Commission of well-known persons set up by the National Council of Civil Liberties took a series of statements from witnesses under oath, the burden of which is, in vital detail after vital detail, utterly incompatible with the police account of the same events. There is the dismissal of long-established workmen from the Admiralty dockyards, where unknown charges, formulated by unknown witnesses, are held to justify the dismissal of men who are not even given an opportunity to be heard in their own defence. There is the recent dismissal from the Air Ministry of Mr. Vernon, whose main offence seems to have been that, when his house was burgled, Socialist publications were found in his library. There have been stupid prosecutions, under the Officials Secrets Act, of men like Mr. Edgar Lansbury and Mr. Compton Mackenzie; though invasions of that Act by Lord Snowden and Mr. Ramsay MacDonald passed unnoticed by authority. Readers of the *Manchester Guardian*, moreover, will not have forgotten the frequent exposure in its columns of the way in which the immigration officers at ports of entry are accustomed to harry alien visitors whom they suspect of

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Socialist opinions. I know of no evidence to suggest that visitors of a Right-wing complexion are subjected to a similar inquisition.

To all this, of which space prevents me from giving more than typical instances, certain other things must be added. There is the growths of mass-trials lasting several days; it is in the highest degree doubtful whether such methods make it even possible for justice to be done to the accused by a jury untrained in the niceties of criminal procedure. There is the vast extension of the ambit of the law of libel, against which protest has been made at bodies like the Law Society and the National Union of Journalists. The indirect censorship of opinion produced by this extension can, I think, best be illustrated by the experience, recounted to me by the editor of a distinguished weekly periodical, of printers refusing to print editorials on the ground that they could not accept the responsibility for the criticisms they contained. *Dennis v. Duke of Windsor*, and, not least, the judge's comments therein, make it at least doubtful whether it would be possible to tell the public the truth about a contemporary event, even when there is a clear and urgent public interest in the disclosure of the truth. I note, also, in passing, the great extension, in our own time, of contempt of court. It was one of Bentham's most famous axioms that when he has pronounced his decision, the judge is "given

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over to criticism." I do not think the reader of *R. v. New Statesman* would come to that conclusion. He would, on the contrary, be inclined to infer that a jurisdiction which is historically dubious and practically unwholesome has been pushed by the judges themselves to limits which make effective criticism of their work a very difficult adventure. Certainly I do not think it doubtful that some of the greatest of Bentham's pleas for judicial reform would, to-day, be held to be contempt of court merely because they are vigorous and convincing. I can hardly think that is a healthy state of affairs.

In the more vague field of public opinion, it is, of course, difficult to be specific, especially by way of a quantitative estimate of the direction in which we are going. There have been cases in which teachers have been victimized for the holding of unpopular political views; and even university teachers have not been exempt from the graver sort of heresy-hunting of this kind. There is still widespread victimization of workers who are known to hold strong views on Socialism or trade unionism; even as I write there has come to me information of the dismissal of a girl from a woollen mill in Yorkshire because her father was elected a Socialist member of the local borough council. In England, indeed, so far, this kind of control is negative rather than positive. Our habit is less to dismiss after views are

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known, than to take care not to choose people whose habits or personality suggest views to which exception may later be taken. It is not insignificant that certain technicians, who have helped the Labour Party in researches necessary to the definition of its policy, have done so only on the condition that their names were kept secret even from its National Executive; they had good ground to fear for their livelihood if this association became known. Eminent men are even beginning to urge that teachers of every description should regard themselves as civil servants and refrain from playing any part in public life. There is being evolved a doctrine of "impartiality," which, in practice, means that you can hold any views you like so long as you do not effectively criticize the present social order. And it is notable that those who object to the political activity of teachers did not object to the action of Sir Maurice Hankey, one of the most eminent of living civil servants, in giving evidence before the Royal Commission on the Manufacture of Armaments in which he expressed his view that the nationalization of the munitions industry would be a "national disaster." The pressure against Left opinion grows slowly but surely; and I know of no evidence to suggest a similar pressure against the Right.

I think, further, that there is a real index to the mental climate of our time in the comparative

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attitude of our governors to the Soviet Union, on the one hand, and to the Fascist dictatorships, upon the other. The contrast is a striking one. There is the long and grim record of intervention in the formative stage of the Russian Revolution; there is the attempt to draw a *cordon sanitaire* about it, as though it were an "untouchable" state; there is the raid on Arcos in 1927—an unprecedented event in our diplomatic history; there are the dubious curiosities of the Zinoviev letter; and there is the instant breaking-off of trade relations with the Soviet Union at the time of the engineers' trial in 1933. I take only certain outstanding events in the record. It is impossible not to compare these with the attitude adopted by our governing class to the dictatorships of Hitler and Mussolini. It is difficult, I suggest, not to explain the contrast by the fact that we were dealing with a Socialist Government, in the one case, and with Governments hostile to Socialism, in the others. Breaches of treaties have, with Italy and Germany, been condoned; persecution, even though, on the precedents, it gave rise to the right of intervention in international law, has been regarded as a domestic matter with which we were not concerned; and eminent men have even been found whose main anxiety seems to have been to justify the threat of the Fascist states to the democratic liberties of Europe.

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I suggest that the explanation is simple. In the Soviet Union the régime of private property has been ended; there is a fundamental change in the class-structure of that state. Neither Hitler nor Mussolini represents a threat to the economic foundations of the system of private property; on the contrary, by destroying the free trade unions, the parties of the Left, and the co-operative movement, they have given hostages to private property which it does not possess in the still existing democratic régimes. A governing class which is doubtful about its own future in this country inevitably feels a tenderness for men who have defended, even by violence, the principles for which it stands. It is able to find excuses for that violence which it is not prepared to extend to those who deny its principles. We have witnessed, in short, a rationalization, perhaps only half-conscious, of interest in terms of class. Our governors are tolerant about violence directed to ends of which they approve. They are angry about violence directed to ends for which, as in the Soviet Union, they have no sympathy.

It is an observation at least as old as Burke that you cannot acquiesce in the suppression of liberty abroad without, sooner or later, becoming inured to its suppression at home. We must not forget the implications of this aspect of post-war history. Italy and Germany apart, our rulers have had their

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share of such adventures. The five years' struggle in Ireland, the long conflict with the demand for Indian self-government, these have had their impact upon the public opinion which controls the operation of the state. They have made men feel a sense of disturbance. They have attacked the self-confidence and the security of our governors. Read in the context of the miners' strikes, the railway strike and, above all, the General Strike of 1926, experience has persuaded them that the habits of representative democracy have limits more narrow than they conceived before the war. A challenge to their authority that is explicit abroad is, at least implicitly, present in this country also. The sense is clearly present that the right of democracy to affirm, as Matthew Arnold put it, its own essence is limited by its obligation to respect the "rights" of property.

The vital test of what I am saying is surely seen in the attitude of our Government to Spain. In the great days of the Victorian era, the awakening of the Spanish people would have seemed, like the awakening of Italy, a cause for national rejoicing; but the Spanish civil war has been described by Sir Samuel Hoare as a "faction fight in which we are not interested." The policy of the British Government has been, in its incidence, almost wholly favourable to General Franco; and the reason for the choice it has made is patently its fear that a victory of the Govern-

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ment forces will disturb the security of property elsewhere. There has been no revolution in our time in which the division of national opinion has so closely followed the division of class as in the case of the Spanish conflict. A generation ago, we should not have tolerated, as we now tolerate, the threat to our imperial communications that Italian intervention foreshadows. A generation ago, also, we should not have looked upon the leader of a revolt against a democratic and constitutional Government, a leader, moreover, largely dependent upon foreign mercenaries, as "a hero, if not a saint." to use one of the phrases applied to him by a distinguished Conservative journalist. Our rulers see in General Franco the embodiment of the interests for which they themselves stand. His defeat would, for them, be a challenge to their own authority. They are afraid openly to embrace his cause, because they have still to reckon with a living public opinion in Great Britain. Yet it is impossible not to feel that, short of directly outraging it, they have done most of what they could be expected to do to assist General Franco to victory.

For they believe, and this is my essential point, that General Franco symbolizes the forces they are defending here. Their outlook on civil liberties in Great Britain has been modified by the evolution of capitalist democracy in the last twenty years.

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Respect for the traditions of constitutional government in Great Britain means, sooner or later, a Socialist Government with a majority; and that is the beginning of the end of the age-long privileges our ruling class has enjoyed. To them, therefore, traditional liberties seem less attractive than they did when they operated upon a plane unrelated to the economic foundation of those privileges. It is easy to tolerate where no practical consequences attend the toleration. It is a more difficult habit when the consequences of toleration threaten that way of life which those who have lived by it believe to be identical with the foundations of national well-being.

I ought to add that this suspicion of civil liberties is at once natural and sincere. For their outcome means a change in ultimate matters of social constitution not less profound than that which was the outcome of the transition from feudalism to capitalism. It would be folly for us not to recognize that such a change would gravely disturb important vested interests whose acceptance of democratic institutions is contingent upon their relation to those interests. They would regard a challenge to them in no different light than did the privileged classes of Russia or of Spain. They would be not less convinced than foreign reactionaries that, in defending their own interests, they were defending, also, the true

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interests of Great Britain. Men think differently who live differently. Lord Baldwin speaks with eager sincerity of the need to maintain our Parliamentary democracy; but he has no difficulty, at the same time, in reconciling his sense of that need with such an attack upon the right of association as was represented by the Trade Union Law Amendment Act of 1927. "The situation of man," said Burke, "is the preceptor of his duty." In a class-society like our own the content of duty is bound to be very variously regarded. Our governors will tolerate democracy, and the civil liberties to which it obliges them, without any difficulty so long as they approve of the ends to which that democracy is devoted. But there is no reason in our history to suppose that they regard democracy as an absolute which must be maintained regardless of those ends.

IV

The inference I draw from this analysis has at least the merit of simplicity. I am arguing that the prospects of civil liberty are in danger because the security of those who control the state-power is in danger. Claims that seemed Utopian in the Victorian age now demand profound consideration. Our perspective has shifted because our world-position has

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shifted. We have no longer the leeway in the economic realm which enabled continuous concessions to be made to the working-class without any effective alteration in the position of the privileged. Our imperial dominion is delicately poised on an uneasy and unstable axis. It is inevitable that traditional philosophies should be called into question at such a time. We have only to look back to the sixteenth and seventeenth centuries to see how a profound change in the economic foundations of society carries with it, as its necessary consequence, a profound change, also, in the ideologies of men.

It is not necessary for me to prove that we are in the midst of such a change. We are all aware of it, at least in general outline. It is world-wide in its ramifications; even the United States which, not a decade ago, was thought by many to have solved the problem of poverty, is now seen to be not less affected than ourselves by its incidence. It is certain that the workers will use their political and their economic power to secure an improvement of their material position. It is certain, also, that those from whom that improvement is demanded will either regard the claim as in itself unjustified, or, alternatively, decline to accept that change in our basic economic arrangements that is believed to be the condition of successful improvement. We are moving rapidly, as elsewhere we have already moved, into one of those

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epochs in which what is in dispute between classes is no longer some minor question of detail but those larger principles division about which at least endangers, and may well destroy, that unity of opinion upon which our civil liberties depend.

There are no certainties in history; and I do not therefore share the views of those who believe that conflict is inevitable. But I do share the views of those who hold that there was never a time when vigilance was more urgent if our liberties are to be maintained. Unless we can maintain in Great Britain an ample atmosphere of free discussion, a confidence that experience which needs to be reported has the full chance of effective utterance, our fate will be no different from that of Russia or Spain. Men who are not willing to listen to argument easily convince themselves that their own principles are exclusively the truth. When citizens begin to be silenced, the machine-guns come into action. It will take all our determination and all our courage to avoid that disaster.

For what has so far happened in the post-war years is the beginning of a process and not its end. We have had a lull in industrial disputes; it is temporary and not permanent in character. I do not like to think of what might happen if the immense powers now conferred upon the Government were irresponsibly invoked by a rash Minister of the Crown. I do not like,

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either, to contemplate any profound increase in the scepticism, now so widely current, of police impartiality. I am frankly disturbed at the attitude of the Courts, including the High Court of Justice, to principles the observance of which is the essential condition of freedom. Wise statesmanship consists, above all, in realizing what is significant in an accumulation of minor grievances. I admit gladly that, so far, there has been no attack in this country on the central citadel of our freedom. But I do say with emphasis that the conditions are present here out of which such an attack could easily develop. It will give us no formal announcement of its coming; it is even probable that, as so often in the past, it will appear to many less as a threat than as a liberation. The enemies of freedom have always used the accents of freedom to conceal their inner purpose.

The true reading of the years since 1918 is that they are a warning whose significance no man can escape. All over the world, liberty is on the defensive; all over the world, also, those are least its friends who most loudly proclaim their devotion to its service. To maintain its authority over the mind when differences are keen, and passions profound, is the most difficult exercise in the act of government. Few things are so easy as to reply to grievance by repression; few things are so hard as to surrender interests which have been made sacred to their pos-

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sessors by time-honoured prescription. After nearly three centuries of fortunate compromise, we have come once more to the parting of the ways. I do not pretend to know the direction in which we shall travel. I am content only to hope that those who care for the freedom which alone gives life its quality will give a good account of themselves when the hour of trial arrives.

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